

lish a Department of Fine Arts; to the Committee on the Library.

3524. By Mr. QUINN: Petition of the Westinghouse Local, No. 601, United Electrical and Radio Workers of America, endorsing legislation program of the Committee for Industrial Organization; to the Committee on Labor.

3525. By Mr. RICH: Petition of the McKean County (Pa.) Pomona Grange opposing the Black-Connery labor bill; to the Committee on Labor.

3526. Also, petition of the Lycoming County (Pa.) Pomona Grange, No. 28, opposing the Black-Connery labor bill; to the Committee on Labor.

3527. Also, petition of the Pomona Grange, No. 30, of Tioga County, Pa., protesting against the passage of the Black-Connery labor bill or any similar substitute; to the Committee on Labor.

3528. By Mr. SHANLEY: Petition of the Inter-Veteran Association on the German-American Bund in America; to the Committee on the Judiciary.

3529. By the SPEAKER: Petition of the Junior Order of United American Mechanics, State Council of New Jersey, Trenton, N. J., regarding the appointment of a special committee of the Senate and House to investigate and determine, in their opinion, the origin and development of the stars and stripes flag; to the Committee on the Library.

3530. Also, petition of the National Social Security Protective Association of America, relating to taking care of citizens because of the failure of banks and building and loan associations; to the Committee on Ways and Means.

3531. Also, petition of the Council of American Mariners, New York, N. Y., concerning the Panama Canal tolls; to the Committee on Ways and Means.

## SENATE

TUESDAY, DECEMBER 7, 1937

(Legislative day of Tuesday, November 16, 1937)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

RUSH D. HOLT, a Senator from the State of West Virginia, appeared in his seat today.

### THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Monday, December 6, 1937, was dispensed with, and the Journal was approved.

### CALL OF THE ROLL

Mr. LEWIS. I note the absence of a quorum, and ask for a roll call.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pittman
Andrews	Copeland	La Follette	Pope
Ashurst	Davis	Lee	Radcliffe
Austin	Donahay	Lewis	Reynolds
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Loneragan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Borah	Gibson	McGill	Smith
Bridges	Gillette	McKellar	Steiwer
Brown, Mich.	Glass	McNary	Thomas, Okla.
Brown, N. H.	Graves	Miller	Thomas, Utah
Bulkeley	Green	Minton	Townsend
Bulow	Guffey	Moore	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hitchcock	O'Mahoney	Walsh
Chavez	Johnson, Calif.	Overton	White
Clark	Johnson, Colo.	Pepper	

Mr. WHITE. I announce the unavoidable absence of my colleague the senior Senator from Maine [Mr. HALE]. My colleague is suffering from a slight cold, and, during these inclement days, it seems prudent that he should stay inside.

Mr. LEWIS. I announce that the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES] are absent from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

My colleague the junior Senator from Illinois [Mr. DIETERICH] is detained in Springfield, the capital of the State of Illinois, on official business.

The Senator from Connecticut [Mr. MALONEY], the Senator from Montana [Mr. WHEELER], and the Senator from Nevada [Mr. McCARRAN] are necessarily detained.

I ask that this announcement go in the RECORD for the day.

Mr. BARKLEY. Mr. President, in addition to the announcement just made, I wish to announce that members of the Banking and Currency Committee are engaged in holding hearings on the housing measure.

The VICE PRESIDENT. Eighty-seven Senators having answered to their names, a quorum is present.

### PETITIONS

The VICE PRESIDENT laid before the Senate a letter in the nature of a petition from Frank White, of Atlanta, Ga., praying that an old-age pension of \$30 per month be granted to ex-slaves, which was ordered to lie on the table.

Mr. LONERGAN presented resolutions of the Board of Selectmen of South Hadley; the Rod, Gun, and Revolver Club of Russell; the Holyoke Chapter of the Connecticut River Antipollution Association, and the Rod and Gun Club of East Long Meadow, all in the State of Massachusetts, favoring the enactment of the so-called Loneragan-Vinson bill, being the bill (H. R. 2711) to create a Division of Water Pollution Control in the United States Public Health Service, and for other purposes, which are ordered to lie on the table.

### BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LODGE:

A bill (S. 3100) for the relief of Carl G. Lindstrom; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 3101) to authorize the Secretary of War to grant a right-of-way for highway purposes upon and across Kelly Field, a military reservation, in the State of Texas; to authorize an appropriation for construction of the road and necessary fence lines; to the Committee on Military Affairs.

A bill (S. 3102) for the relief of the estate of Raquel Franco (with accompanying papers); and

A bill (S. 3103) for the relief of the Comision Mixta Demarcadora de Limites Entre Colombia y Panama (with accompanying papers); to the Committee on Claims.

A bill (S. 3104) for the payment of claims of citizens of the United States against the Republic of Mexico; to the Committee on Foreign Relations.

By Mr. O'MAHONEY:

A bill (S. 3105) to amend the Commodity Exchange Act, as amended, to extend its provisions to wool and other agricultural commodities traded in for future delivery; to the Committee on Agriculture and Forestry.

By Mr. DAVIS and Mr. GUFFEY:

A joint resolution (S. J. Res. 236) authorizing the President to invite foreign countries to participate in the ceremonies to commemorate the one hundred and fiftieth anniversary of the national ratification of the Constitution of the United States in Philadelphia, Pa., June 17 to 21, 1938; to the Committee on Foreign Relations.

### AGRICULTURAL RELIEF—AMENDMENTS

Mr. McAdoo submitted an amendment and an amendment in the nature of a substitute, Mr. AUSTIN and Mr. POPE each submitted an amendment, and Mr. BANKHEAD submitted three amendments intended to be proposed by them, respectively, to the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in

interstate and foreign commerce, and for other purposes, which were severally ordered to lie on the table and to be printed.

Mr. BANKHEAD (for the Committee on Agriculture and Forestry) submitted an amendment intended to be proposed to Senate bill 2787, the agricultural relief bill, which was ordered to lie on the table and to be printed.

#### THE POLITICAL SITUATION—ARTICLE BY LUCY SALAMANCA

[Mr. TRUMAN asked and obtained leave to have printed in the Appendix of the RECORD an article by Lucy Salamanca entitled "Nation Finds Generous Supply of Presidential Timber," published in the Washington Evening Star of December 5, 1937, which appears in the Appendix.]

#### PENNSYLVANIA BEGINNINGS IN THE COLONY OF NEW SWEDEN—ADDRESS BY HON. C. HALE SIPE IN THE SENATE OF PENNSYLVANIA

[Mr. DAVIS asked and obtained leave to have printed in the RECORD the remarks of Hon. C. Hale Sipe before the Pennsylvania Senate on April 13, 1937, on the subject of Pennsylvania Beginnings in the Colony of New Sweden, which appears in the Appendix.]

#### ADDRESS BY HON. JAMES A. FARLEY AT LANSING, MICH.

[Mr. BROWN of Michigan asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley, chairman of the Democratic National Committee, at Lansing, Mich., September 13, 1937, which appears in the Appendix.]

#### AGRICULTURAL RELIEF

The Senate resumed the consideration of the bill (S. 2787) to provide an adequate and balanced flow of the major agricultural commodities in interstate and foreign commerce, and for other purposes.

The VICE PRESIDENT. When the Senate took a recess yesterday six amendments had been passed over. Is it the pleasure of the Senate to return to the amendments that were passed over and have them called in their order?

Mr. McNARY. Mr. President, I find myself mistaken. I did not offer an amendment to section 1, which is the declaration of principles, but I discussed it briefly. I think the first amendment passed over was passed over at the request of the Senator from Idaho [Mr. BORAH], and is found on page 3.

The VICE PRESIDENT. If any Senator desires an amendment to be further passed over, the Chair will put that request, and, if it is agreed to, continue with the amendments which have not so far been discussed.

Mr. McNARY. I have an amendment on page 4 that I am willing to take up at this time.

Mr. BORAH. Mr. President, it was at my request that the amendment on page 3 went over, and I am now prepared to submit that matter. I have no desire to have it go over further. I am ready to dispose of it.

The VICE PRESIDENT. The clerk will state, for the information of the Senate, the first amendment passed over.

The CHIEF CLERK. The first amendment passed over is, on page 3, line 20, to strike out the word "contacting" and insert the word "contracting."

Mr. BORAH. Mr. President, I desire to offer an amendment to that amendment. After the word "second", on line 22, I wish to insert the words "to contracting farmers." I assume that I can take out the word "contacting" before "farmers", in line 20. Then it would read:

Under adjustment contracts there shall be made available to farmers (hereinafter referred to as "cooperators"), first, Soil Conservation Act payments hereinafter specified; second, to contracting farmers, surplus reserve loans; and, third, parity payments.

My desire is so to amend the amendment as to eliminate the withholding of soil-conservation payments, but to permit the amendment to stand otherwise.

The VICE PRESIDENT. The clerk states to the Chair that he has not the verbiage of the amendment as modified by the Senator from Idaho, but the Senator from Idaho has

explained the matter, and the Chair assumes that the Senator is familiar with it.

Mr. BARKLEY. Mr. President, I am afraid that the amendment of the Senator from Idaho, coming at the place where he offers it, is not in order at this time. It would not be an amendment to the committee amendment. It would be an amendment to the text of the bill, and, therefore, would not be in order now.

Mr. BORAH. I think technically that is true, but would not unanimous consent be given for the consideration of the amendment at this time, in view of the fact that this subject cannot be reached except by amendment to the text of the bill? There is no way to reach the subject by dealing with the amendment itself alone. I have no desire to take out of the bill the provision limiting contracting farmers to loans and to parity payments, but I do not desire to have them deprived of soil-conservation payments.

Mr. BARKLEY. The committee amendment could be agreed to, and then, when we reach individual amendments the Senator could modify the provision with respect to soil-conservation payments in any way he might wish.

Mr. BORAH. The difficulty with that is that if we should adopt the amendment as it is, we never could so amend it as to eliminate soil-conservation payments.

Mr. BARKLEY. I do not agree to that.

Mr. POPE. Mr. President, will my colleague yield?

Mr. BORAH. I yield.

Mr. POPE. It seems to me that the bottom of page 3 would not be the proper place for the Senator to insert his amendment. The only purpose of the committee amendment there, of course, is to change the word "contacting" to "contracting"—merely the correction of a typographical error. Page 6, in the amendment which the Senator yesterday asked to have go over, I think might be the appropriate place for the amendment which the Senator desires to offer. Page 7, where there is an amendment specifying that in lieu of soil-conservation payments, parity payments shall be made, it seems to me might also be an appropriate place. I feel quite certain that the amendment would not be in order on page 3, however, where the committee amendment is merely for the purpose of correcting the spelling of a word.

Mr. BORAH. If it be the view of my colleague that this committee amendment simply changes the word "contacting" to "contracting", and leaves the matter entirely open to be dealt with on page 7, I have no objection.

The VICE PRESIDENT. The Chair wishes to state to the senior Senator from Idaho that the Parliamentarian suggests that in view of the fact that probably the adoption of this committee amendment now would cut off the Senator from an opportunity to offer an amendment later, he could make a motion to reconsider, and let that motion be pending, and when the proper time came later he could offer his amendment. Both remedies—that suggested by the junior Senator from Idaho, and that suggested by the Parliamentarian—might answer the purpose of the senior Senator from Idaho.

Mr. BORAH. As soon as that amendment shall be passed upon, then I shall make a motion to reconsider.

The PRESIDENT pro tempore. The question is on agreeing to the amendment of the committee on page 3, line 20, striking out "contacting" and inserting "contracting."

The amendment was agreed to.

Mr. BORAH. Now, Mr. President, I move to reconsider the vote by which this committee amendment was adopted, and will permit the motion to stand until we dispose of the matter on page 7.

The PRESIDENT pro tempore. The motion to reconsider will be entered.

The clerk will state the next amendment passed over.

The CHIEF CLERK. The next committee amendment passed over, at the request of the Senator from Oregon [Mr. McNARY], is on page 4, after line 11, to insert:

(c) The first adjustment contracts shall cover farming operations with respect to wheat and corn planted for harvest in 1938.



For years subsequent to 1938 new adjustment contracts shall be prepared for such additional periods, not to exceed 2 years, as the Secretary shall determine.

Mr. McNARY. Mr. President, last evening I stated that I thought there should be a limitation of time with respect to the operation of the bill. I stated before the committee, when I was there on Saturday, that I thought the life of the bill should not extend beyond 1940. That would give us 1938, 1939, and 1940 to try out the measure, which is an emergency measure after all. It does not matter whether we call it permanent legislation or not, it is not permanent legislation. Anyone knows that legislation is not permanent that deals only with five commodities, and those five commodities not so important as many other commodities grown by the farmers throughout the country. We are not going to enter upon permanent legislation unless it deals with all farmers and all commodities without discrimination and without favor and treats all on the same plane of equality. That is one thing about which I am certain.

This bill, as we all know, is an attempt to gather up the threads and stitches of the Soil Conservation Act and a further attempt to legalize, if possible, the old defunct and unconstitutional A. A. A. Act. It is not permanent and is rushed along this year in order to meet a situation which the Secretary of Agriculture says will result in overabundance in crop production in the season of 1938. Last evening as we were rushing along I suggested an amendment and asked that the committee amendment go over, which was consented to by the proponents of the measure. That amendment I now propose to offer.

It is difficult for anyone to frame an amendment to the language found on page 4 to make that amendment complete and to express the desire I have in mind, namely, a definite period for the operation of the bill. The bill was put together hurriedly and presents a spectacle of disjointed provisions. Therefore, I find it necessary to deal with three different parts of the bill.

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Idaho?

Mr. McNARY. I am very glad to yield.

Mr. POPE. It will be noted that in the original text of the bill, in line 2, is a provision:

For years subsequent to 1940, new adjustment contracts shall be prepared for such additional periods as the Secretary shall determine.

If I am not mistaken the Senator raised that question before the committee.

Mr. McNARY. Yes.

Mr. POPE. The amendment was adopted to meet the very situation he had in mind. It will be noted that a contract may be for the year 1938, and then for the years subsequent to 1938 new adjustment contracts shall be prepared for such additional periods not exceeding 2 years as the Secretary shall determine. In other words, the contract for 1938 will leave 2 years, 1939 and 1940, that might be covered by another contract. Then if the law should be changed there would be no outstanding contracts. My understanding was that the amendment was adopted at the suggestion of the Senator from Oregon to meet just that situation, and it seems to me it does meet it.

At any rate, the Secretary should not enter into a contract under the terms of the bill for a longer period than 1940, that is to say, a contract to expire in 1940, which would then leave the matter open for any amendment of the law which Congress might desire to make.

Mr. McNARY. Mr. President, this question was discussed before the committee, as I stated in the earlier part of my brief remarks, but the explanation of the able Senator from Idaho does not reach the heart of the matter I have in mind. This language unquestionably would limit the period over which the Secretary could make a contract. That does not cover what I want. I want to limit the operation of the bill itself, which is a very different matter.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. Certainly.

Mr. BARKLEY. Under the language of the committee amendment the Secretary of Agriculture after 1938 could make contracts for not to exceed 2 years at a time. If the Senator's amendment were adopted, the Secretary of Agriculture could make no contracts beyond 1940 unless Congress affirmatively reenacted the law. That is the situation. That is what the Senator seeks to do—to make the law temporary in its application unless Congress affirmatively reenacts it.

Mr. McNARY. Yes.

Mr. BARKLEY. Congress can at any time repeal the law if it does not want it to go beyond 1940 or 1942; but to adopt the amendment proposed by the Senator from Oregon would be to say that unless Congress affirmatively reenacts the law in 1940 it is dead. It seems to me that is what the Senator from Oregon is seeking to obtain.

Mr. McNARY. That is perfectly obvious. I thought I had made it quite as clear as has the Senator from Kentucky.

Mr. BARKLEY. No doubt the Senator did make it clear and I have confused it in my efforts to clarify it, for which I apologize to the Senator from Oregon.

Mr. McNARY. I think we have traced the same path and the Senator has been just as explicit as I have been, and I appreciate his efforts to assist.

Mr. President, the Senator from Idaho [Mr. POPE] discusses this matter from the standpoint that there should be a limitation on the period of years for which contracts may be made. I think there should be, too, and the bill amply covers that period of years. But I want to limit the operation of the bill itself to a stated definite time and to make it expire by limitation, as has been done with all bills which we have called emergent in character. I conceive this to be such a bill and properly belonging in that classification.

Mr. POPE. Mr. President, will the Senator yield further?

Mr. McNARY. Very gladly.

Mr. POPE. It occurs to me that to accomplish the purpose the Senator desires we should incorporate in the bill an independent provision saying that the bill is limited to a certain period, instead of seeking to put a limitation on this one part of the bill.

Mr. McNARY. I thank the Senator for that suggestion. I have an amendment which I shall offer and which I hope covers that situation. It not only attempts to do this by language to modify and clarify the section to which attention has been called, but also reaches back to the question of loans, which is necessary, as well as adjustment contracts and payments.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from Oregon yield to the Senator from Washington?

Mr. McNARY. I yield.

Mr. SCHWELLENBACH. Is not the Senator attempting merely to make a temporary ever-normal granary? The possible danger of the establishment of a granary arises from the fact that there might be held in storage in this country a large amount of a commodity which would serve to depress the market in the same way the stabilization program depressed the market. If we adopt this amendment and say that in 1940 the whole plan shall be abandoned unless Congress reenacts the bill, will it not mean that those who have wheat and corn and cotton will know that when this period of time expires all the commodities which have been placed in the granary will be then placed upon the market, and will it not depress the market all the time between now and 1940 when the Senator would end the operation of the act?

Mr. McNARY. Mr. President, the able Senator from Washington is reiterating my argument of last week, that the ever-normal-granary plan is a good deal like Mr. Hoover's Federal Farm Board proposal. I concede these things are true. The ever-normal granary, if I may be distracted for a moment, would pile up a very visible quantity of grain or cotton, which would naturally depress the market because it would be physically in existence. It would have just the



same effect as the stabilization efforts had through the Federal Farm Board. It makes no difference whether the bill ends in 50 years or 3 years, it is an ever-present menace, not an ever-normal granary.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. ELLENDER. Is it not true that under the pending bill we seek to control production, whereas under the so-called Hoover plan there was no restriction on production? Farmers produced all they desired and the Export Corporation took over surpluses. Is not that the difference?

Mr. McNARY. That is a difference. I want to be fair, and so I say that is a substantial difference, but that does not change the philosophy of Mr. Hoover's proposal nor the philosophy of this bill nor the philosophy of the ever-normal granary.

I shall discuss that at the proper time. I have an amendment which I think covers what I have been attempting to discuss for a brief moment and I ask that it may be read by the clerk.

The PRESIDENT pro tempore. The clerk will read as requested.

The CHIEF CLERK. It is proposed, on page 4, beginning with the word "For", in line 14, to strike out through the period in line 16 and insert in lieu thereof the following:

New adjustment contracts shall be prepared covering farming operations with respect to wheat and corn planted for harvest in the years 1939 and 1940, and such contracts shall be for such period, not to exceed 2 years, as the Secretary shall determine.

On page 4, line 22, strike out the words "each subsequent year" and insert in lieu thereof "of 1939."

On page 83, after line 7, insert the following new section:

SEC. 67. No adjustment contract shall be entered into covering farming operations with respect to any commodity planted for harvest in any year subsequent to 1940, no marketing quota shall be established after January 1, 1941, with respect to any commodity covered by this act, and no loan shall be made after January 1, 1941, by the Surplus Reserve Loan Corporation.

Mr. McNARY. Mr. President, as I stated in the beginning of my remarks, it is necessary to treat several provisions of the bill in order to accomplish the purpose I have in mind, to wit, to place a limitation upon the provisions of the bill and its operation during a period of 3 years. I also recognize that under the parliamentary situation it is not quite appropriate to offer the amendment at this time because it goes beyond the language found on page 4, but does not go beyond the purpose expressed in that language. I think in fairness that probably the sponsors of the bill and others would like to have an opportunity to read the amendment when it is printed, and possibly I should wait until after the committee amendments have been either adopted or rejected.

I make the parliamentary inquiry, if I should not now offer the amendment for immediate consideration, might I not have an opportunity later, after we finish with the committee amendments, and individual amendments are in order, to take it up? Of course, it embodies both the substance of the bill as originally prepared and the amendments prepared by the committee.

The PRESIDENT pro tempore. The Chair is informed that a part of the Senator's proposed amendment is a substitute for subdivision (d), on page 4, and the amendment of the committee containing subdivision (d) has been adopted. It will be necessary, therefore, to move a reconsideration of the vote by which that subdivision was adopted so as to make the amendment to that part of the bill in order.

Mr. McNARY. I think the amendment covering subdivision (d), found on page 4, went over with the whole subject matter.

The PRESIDENT pro tempore. No; the Chair is informed that subdivision (d) was adopted.

Mr. McNARY. I ask unanimous consent that the vote by which the amendment containing subdivision (d) was adopted be reconsidered.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the vote is reconsidered, and, there-

fore, the amendment containing subdivision (d) is open to amendment.

In reply to the parliamentary inquiry as to whether or not the amendment may be offered to a different subject in the bill, the first two amendments offered by the Senator, being to the subject matter under consideration, would be in order. The other amendment would have to be offered separately, at the proper time, when the matter to which it relates comes up for consideration.

Mr. McNARY. As I stated, that illustrates the difficulty one has, in dealing with a subject matter which is spread over five agricultural commodities, treated differently, in perfecting an amendment that will accomplish a substantive change that is necessary both to modify the original text and the text as prepared in the nature of committee amendments.

I think that in all fairness, in the present parliamentary situation, I should ask unanimous consent that I might present the amendments at the appropriate time, after we conclude the consideration of committee amendments.

The PRESIDENT pro tempore. Is there objection?

Mr. POPE. Mr. President, I wish to state that, so far as the authors of the bill are concerned, we are perfectly willing to consider the amendments now. Of course, we have no objection to the present request of the Senator if that is what the Senate desires, but we have no objection to considering the amendments now and disposing of them.

Mr. McNARY. Very well. I thought the point had been raised, and I think it could be properly raised. If the authors of the bill are willing to consider the matters as one subject matter, namely, a limitation on the operation of the bill, that it shall expire following the crop season of 1940, very well.

Mr. POPE. I have no objection to the amendments being considered now. I do desire to be heard, however.

Mr. McNARY. Mr. President, has my time expired?

The PRESIDENT pro tempore. The Senator's time on the amendment has expired.

Mr. POPE. Mr. President, it will be at once apparent that the purpose of the legislation designed by the authors of the bill, and, as I think is indicated by the joint resolution of the Congress passed at the last session, will not be carried out if the amendment just offered by the Senator from Oregon shall be adopted. Calling the attention of the Senate again to the joint resolution passed by the Congress at the last session, it refers to the ever-normal granary, refers to loans in connection with it, refers to control of surplus, and then at the end of the joint resolution there is this language:

That abundant production of farm products should be a blessing and not a curse, that therefore legislation carrying out the foregoing principles will be first to engage the attention of the Congress upon its reconvening, and that it is the sense of the Congress that a permanent farm program based upon these principles should be enacted as soon as possible after Congress reconvenes.

During the hearings held by the subcommittee throughout the country farmers were asked as to whether they favored permanent legislation and testified on that subject.

I think no one subject matter is found more often discussed in the hearings than the matter of adopting a permanent program for agriculture. It is at once apparent that we would not be carrying out the joint resolution passed by the Congress at the last session, and it is also apparent to those of us who were on the subcommittee that the wishes of a great majority of those who testified would not be carried out, if we should adopt this amendment. Therefore, as one of the authors of the bill, I submit that the amendment would seriously impair the bill and would go far toward destroying its effect.

I wish to confirm what the Senator from Washington stated a few minutes ago—that the very purpose of an ever-normal granary and the limitations which are placed in the bill with respect to it so as to prevent happening that which happened in the case of the Farm Board would not be carried out.

It seems to me very clear that there is another distinction between the ever-normal granary and the storage of grain



by the old Farm Board; that is, that no portion of the grain stored under the pending plan could be sold for less than the parity price, and that seems to me to be very important. It should not affect the market, at least when the price was below parity. But under the old Farm Board program there was no such limitation. Every purchaser or prospective purchaser of a commodity knew that the Government could release those stocks on the market at any time in its own discretion. Therefore, it seems to me a very important difference exists between storage under the pending bill and storage by the Farm Board. So I think the purpose of the measure and the purpose of Congress in passing the joint resolution would not be carried out but would be destroyed by the amendment of the Senator from Oregon.

Mr. MCGILL. Mr. President, will the Senator yield for a question?

Mr. POPE. I yield.

Mr. MCGILL. I also wish to call the attention of the Senator to the fact that in the beginning of the joint resolution, adopted by the two Houses of Congress, to which he has referred, on the first page, designating by letters the program to be adopted, the joint resolution provides, "Whereas, a permanent farm program should (a) provide," and so forth. Then later on in the joint resolution, where the principles to be embodied in the bill are set forth in numerical order, the joint resolution states, "Whereas it is the sense of Congress that the permanent farm legislation should be based upon the following fundamental principles." In addition to what the Senator has just called to the attention of the Senate, those provisions are in the joint resolution.

Then, in the resolution of the Senate directing the Committee on Agriculture and Forestry to hold hearings in order to determine the form legislation should take, the Senate specifically directed the committee to give consideration to the pending bill. Those matters must have been in the minds of the Senate and of the Congress at the time.

Mr. NORRIS. Mr. President, I am not interested in whether this is permanent or emergency legislation, so far as the proposed amendment is concerned. Even though the committee were directed to bring in a proposal for permanent legislation, if they did not do so, but brought in a bill providing for what the Senator from Oregon calls emergency legislation, it would not be made permanent by calling it so. I think, however, it will be permanent unless we adopt the Senator's amendment, because there is nothing in the bill to limit its terms or provide for its expiration.

As I view it, however, that is not so material. The Senate might now be justified in passing the joint resolution which was passed, but, as I see it, this matter is a vital one. If the bill shall become a law and the normal granary shall be established, no one now knows whether there will be anything in that normal granary in 1940 or not. If there should be nothing in it, if no cotton or wheat or corn should be stored in it, the amendment would do no harm, but if any cotton or wheat or corn should be in the granary, as probably will be the case in 1940, at least as to some of the commodities, the adoption of the amendment would destroy the efficacy of the whole law. There would be stored in the normal granary a quantity of either wheat or corn or cotton, or all of them, perhaps a large amount of some of them, and the law would expire in 1940. There would be on hand in the normal granary a large amount of wheat, we will say. It seems to me the effect of that wheat stored in the normal granary would be to absolutely kill the market. That would be a natural consequence.

Mr. POPE. Mr. President, would not the situation then be almost exactly analogous to the situation during the existence of the Farm Board?

Mr. NORRIS. I think so; but I do not desire to discuss that Board, or to cast any reflections on it. It is dead, and let it sleep in peace, if it is possible. I myself voted for the bill for the creation of that Board, on the theory that it might do some good, although I expressed a doubt about it at the time.

It seems to me to follow that if we store a large amount of farm products in a granary and make no provision about releasing them or holding them off the market, then we might just as well not provide for a normal granary, we might just as well not pass the bill at all, because it would follow that from this moment, not commencing in the future but now, the fear that there might be and probably would be a large amount of one of these products stored in the normal granary would affect the market, and the purpose of having a normal granary would be nullified.

It seems to me we are faced with the question whether we want to store up a large amount of wheat and make no provision for retaining it in the granary and keeping it off the market, as the proposed law would, and if that is the desire, we ought to realize that we would nullify and make almost useless and nonworkable the entire law we are asked to enact.

Mr. BARKLEY. Mr. President, I rise merely to emphasize what the Senator from Nebraska has already said, and said much better than I could say it.

I wish to advert to one suggestion of the Senator from Oregon. He offers his amendment because, he says, this is an emergency piece of legislation and, therefore, its life ought to be limited to the emergency. This is only emergent legislation so far as the crop of 1938 is concerned. We were called into extra session to pass a farm bill in order that it might be enacted before the ground is prepared for the crop of 1938, so that every farmer, and the Department of Agriculture, which will have to administer the act, would know in advance what could be done and what ought to be done with respect to the crop of 1938.

So far as all the subsequent crops are concerned we might as well not have been called into extra session. We could have passed a bill dealing with 1939 and 1940 in the future, without then worrying about 1938; but now the situation may be emergent, so far as 1938 is concerned, in the sense that the farmers ought to know what sort of law is going to be on the statute books and the Department of Agriculture ought to know what law it has to administer.

Mr. President, the whole purpose of the Committee on Agriculture and Forestry, without regard to the resolution that was adopted in the last session, has been to provide a permanent agricultural policy and program. Any law is permanent only to the extent that Congress permits it to remain permanent. Congress can repeal this whole law in 1938, in 1939, or in 1940, or in any other year. If Congress is dissatisfied with the operation of the act, it would be just as easy to repeal it in 1940 and write a new one, and probably it would be more easy than it would be to reenact the law, by reason of the limitations placed upon it by the Senator's amendment.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. NORRIS. I should like to call the Senator's attention to the fact that, if we were to repeal the act while commodities were stored in the ever-normal granary, then we would be in duty bound to the farmers, and to the entire country for that matter, to make a provision in the repealing act by which we would prevent that stored product from coming on the market and thus depressing the market.

Mr. BARKLEY. I agree with the Senator from Nebraska. While Congress can repeal the act at any time, it would be under a moral obligation to make provision for distribution or disposition of any surplus that was on hand that had been created under this measure while it was alive.

Let us suppose that the amendment of the Senator from Oregon is adopted, which in effect limits the operations of this bill to 3 years, 1938, 1939, and 1940. Suppose next year there should be an unusual surplus of wheat or corn or cotton or any other commodity. Suppose there should be an unusual surplus for all 3 of these years, and such surplus should be accumulated under the provisions of the act, and the act automatically should come to an end at the end of 1940. There would then exist more than a normal granary; we would have a supernormal granary filled with these products,



without any provision of law whereby the Government, or the Department of Agriculture, or the farmers themselves, could know what to do with them or how to distribute them or dispose of them. It seems to me that that would certainly create what in vulgar terms we call a "glut" in the market, which would be more disastrous than if we did not pass any law at this time.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. BARKLEY. I yield.

Mr. McGILL. With the certainty that the law would become inoperative after 1940, and with the building of a normal granary during the period between the present time and the close of 1940, would not that of itself have a tendency at all times from now on to hold market prices down in this country on the commodities affected?

Mr. BARKLEY. Of course it would, because everyone, including the farmer, and the Department of Agriculture, and the whole economic system, insofar as it may be affected by agricultural conditions, would have before them this constant threat, would have this sword of Damocles hanging over their heads for the next 3 years, so no one would know what to depend on, or how to make his arrangements.

Mr. President, it seems to me the amendment ought to be defeated.

Mr. McNARY. Mr. President—

The PRESIDENT pro tempore. Does the Senator desire to speak on the bill?

Mr. McNARY. I desire to occupy some of the time that is left me, and, of course, that is on the bill.

The only purpose I have in offering the amendment is that when we enact this measure we do not attempt to make it permanent, because we are dealing only with a few of the great major commodities of the country. Secondly, I think a 3-year term of experimentation is ample for this bill. In my opinion, there is no merit in the argument or the suggestion of the Senator from Nebraska [Mr. NORRIS] that such a provision would affect the ever-normal granary. If so, that argument could also be made against the repeal of the bill itself, because there would be something in the granary. It can be argued that at the end of 3 years, if we desire to continue the measure, we can make such adjustment by legislation as is necessary to dispose of the product in the ever-normal granary. That is a very shallow and thin argument.

Mr. President, I am trying to deal here with a limitation upon a bill that is unquestionably—and that has not been disputed—emergent in its character. If at the end of 3 years there will be anything in the ever-normal granary, which I should doubt very much, then, if we want to continue the act, we can deal with the surplus, or if we see that legislation is necessary to meet a situation then existing, it can be effected very quickly by the Congress. My purpose in asking the adoption of the amendment is to get an expression from the Congress as to whether it wants to treat this proposed legislation as permanent legislation, thereby discriminating against all the other agricultural commodities in this country, or whether the Congress desires to deal with it for a reasonable period of time so that we may determine its efficacy.

On the amendment, Mr. President, I ask for the yeas and nays.

The PRESIDENT pro tempore. The Senator from Oregon [Mr. McNARY], under the unanimous-consent agreement, has the right to offer the amendment to subsection (d) and also his amendment on page 83.

Mr. McNARY. Mr. President, I should hate to have this time taken out of my time.

The PRESIDENT pro tempore. The time consumed with respect to the parliamentary discussion will not be taken out of the Senator's time.

Mr. McNARY. We are dealing with a substantive provision of this bill, namely, the limitation, but it happened to come up in three different ways. Hence the amendment refers to three different propositions. I think a vote on all of them is the only proper vote to be taken. The amendment should not be cut into three parts.

Mr. BARKLEY. Mr. President, I ask unanimous consent that the three amendments be voted on en bloc. They all involve the same proposition.

Mr. McNARY. Yes. There are not three amendments. The amendment treats of three different propositions, all referring to one effort; that is, to limit the operation of this bill. I think the request of the Senator from Kentucky [Mr. BARKLEY] is a very reasonable one and necessary.

The PRESIDENT pro tempore. Without objection, the three amendments will be voted on en bloc.

The amendments will be stated.

The LEGISLATIVE CLERK. On page 4, beginning with the word "For", in line 14, it is proposed to strike out through the period, in line 16, and insert in lieu thereof the following:

New adjustment contracts shall be prepared covering farming operations with respect to wheat and corn planted for harvest in the years 1939 and 1940, and such contracts shall be for such periods, not to exceed 2 years, as the Secretary shall determine.

On page 4, line 22, it is proposed to strike out "each subsequent year" and insert in lieu thereof "of 1939."

On page 83, after line 7, it is proposed to insert the following new section:

SEC. 67. No adjustment contract shall be entered into covering farming operations with respect to any commodity planted for harvest in any year subsequent to 1940; no marketing quota shall be established after January 1, 1941, with respect to any commodity covered by this act; and no loan shall be made after January 1, 1941, by the Surplus Reserve Loan Corporation.

Mr. McNARY. I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Connally	King	Pittman
Andrews	Copeland	La Follette	Pope
Ashurst	Davis	Lee	Radcliffe
Austin	Donahey	Lewis	Reynolds
Bailey	Duffy	Lodge	Russell
Bankhead	Ellender	Logan	Schwartz
Barkley	Frazier	Lonergan	Schwellenbach
Berry	George	Lundeen	Sheppard
Bilbo	Gerry	McAdoo	Shipstead
Borah	Gibson	McGill	Smith
Bridges	Gillette	McKellar	Steiwer
Brown, Mich.	Glass	McNary	Thomas, Okla.
Brown, N. H.	Graves	Miller	Thomas, Utah
Bulkeley	Green	Minton	Townsend
Bulow	Guffey	Moore	Truman
Burke	Harrison	Murray	Tydings
Byrd	Hatch	Neely	Vandenberg
Byrnes	Hayden	Norris	Van Nuys
Capper	Herring	Nye	Wagner
Caraway	Hitchcock	O'Mahoney	Walsh
Chavez	Johnson, Calif.	Overton	White
Clark	Johnson, Colo.	Pepper	

The PRESIDENT pro tempore. Eighty-seven Senators having answered to their names, a quorum is present.

Mr. JOHNSON of California. Mr. President, the amendment offered by the Senator from Oregon presents, it seems to me, a very important question indeed. Within the limits of a half an hour this very important question is asked to be determined by the Senate. The question arises as to the permanency or the temporary character of the bill. With all that goes with this bill we are asked by some Senators to accept it as a permanent measure. The Senator from Oregon seeks to have us accept it solely as a temporary measure. I care not whether the resolution passed by the House and the Senate some time since preferred a permanent measure. We know the disabilities under which our committee has been laboring. We know all the troubles and tribulations of the individual members of that committee. We know that they have been unable to present here a bill that commends itself to the best thought of the Senate as a permanent measure.

Why should the measure then be voted by us now as a permanent measure? The Senator from Kentucky [Mr. BARKLEY] says that if it be considered a permanent measure we will have the right by and by, when the time limit shall arrive, of determining its particular character and possibly repealing it. But he has taken the other way round, as it were. We ought to provide that a measure of this character



should be limited to a particular time, and then if it be shown to have brought good we may vote for it and extend the time.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. JOHNSON of California. Yes.

Mr. BARKLEY. Of course, all legislation entering a new field is more or less experimental. If what the Senator suggests would be wise with respect to this bill, why would it not be wise to limit all laws that enter any new field or set up any new program to a temporary period, until we find out how they are going to work?

Mr. JOHNSON of California. In answer to the Senator from Kentucky, I will say that it might be wise if experimental legislation were enacted for a temporary period, and then we had the opportunity of coming here again and determining just exactly how it had worked in practice.

Mr. BARKLEY. Mr. President, will the Senator yield further at that point?

Mr. JOHNSON of California. Yes.

Mr. BARKLEY. Does the fact that any measure of this sort does not carry a limitation prevent Congress from reconsidering it at any time?

Mr. JOHNSON of California. Why, of course not; but the difficulty of reconsidering it is perfectly obvious, in view of the necessity of the two Houses of Congress acting upon the measure that is written into law; the other mode being that when it is made of temporary character it may be renewed if necessary.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDENT pro tempore. Does the Senator from California yield to the Senator from Nebraska?

Mr. JOHNSON of California. I yield.

Mr. NORRIS. I should like to ask the Senator what he thinks would happen if, in the meantime, we had a large amount of grain stored in the ever-normal granary, and the law ended all at once; whether that would not have such an effect on the market as to make the whole plan useless.

Mr. JOHNSON of California. If it be obvious that that will be the result, the Senate and the House can renew the law, extend it, and the like. We shall have time to learn whether or not today's action has been wise; and that is what I should like, with this sort of law—that we take the time to enable us to determine the wisdom of our action. We have often taken too little time for the determination of such questions.

Mr. President, I have little to say in regard to the matter, except that here is a bill that is contentious in character, that is controversial in aspect, that has been presented to the people of this land; and every sort of farm organization save one, perhaps, is opposed to it. Here is a bill that deals with men's lives in a fashion in which ordinarily we would not be dealing with them. Here is a bill that regiments the entire farming community in respect to certain industries. Let us do it if it be necessary, but let us have an opportunity to put a brake upon the law if experience shall teach us in 2 or 3 years that it has not been wisely enacted. That is all that the amendment of the Senator from Oregon does; and because that is all the amendment does, I favor it.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Oregon [Mr. McNARY] to the amendment of the committee.

Mr. McNARY. On that question I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BYRNES (when his name was called). I have a pair with the Senator from Maine [Mr. HALE], who is detained because of illness. I transfer that pair to the Senator from Rhode Island [Mr. GREEN], and will vote. I vote "nay." I am advised that if the Senator from Maine [Mr. HALE] were present he would vote "yea."

Mr. SHIPSTEAD (when his name was called). I have a general pair with the senior Senator from Virginia [Mr. GLASS]. I do not know how he would vote if present, and

therefore withhold my vote. If at liberty to vote, I should vote "yea."

Mr. LEWIS (when Mr. WAGNER's name was called). I am permitted to announce that the Senator from New York [Mr. WAGNER] is detained at a department. This fact accounts for his absence at this time.

The roll call was concluded.

Mr. LEWIS. I announce that my colleague [Mr. DIETRICH], were he present and voting, would vote "nay" on this question.

I further announce that the Senator from Washington [Mr. BONE] and the Senator from Delaware [Mr. HUGHES] are detained from the Senate because of illness.

The Senator from New Jersey [Mr. SMATHERS] is detained because of illness in his family.

The Senator from Nebraska [Mr. BURKE], the Senator from Virginia [Mr. GLASS], the Senator from Rhode Island [Mr. GREEN], the Senator from Connecticut [Mr. MALONEY], the Senator from California [Mr. McADOO], the Senator from Indiana [Mr. MINTON], and the Senator from Oklahoma [Mr. THOMAS] are detained on important public business.

The Senator from Nevada [Mr. McCARRAN] and the Senator from Montana [Mr. WHEELER] are necessarily detained.

The result was announced—yeas 25, nays 51, as follows:

## YEAS—25

Adams	Capper	Lee	Townsend
Austin	Copeland	Lodge	Tydings
Bailey	Davis	McNary	Vandenberg
Borah	Frazier	Nye	Walsh
Bridges	Gerry	Pittman	
Bulkley	Gibson	Russell	
Byrd	Johnson, Calif.	Steiwer	

## NAYS—51

Andrews	Connally	La Follette	Overton
Ashurst	Duffy	Lewis	Pepper
Bankhead	Ellender	Logan	Pope
Barkley	George	Loneragan	Radcliffe
Berry	Gillette	Lundeen	Reynolds
Bilbo	Graves	McGill	Schwartz
Brown, Mich.	Guffey	McKellar	Schwellenbach
Brown, N. H.	Harrison	Miller	Sheppard
Bulow	Hatch	Moore	Smith
Byrnes	Hayden	Murray	Thomas, Utah
Caraway	Herring	Neely	Truman
Chavez	Hitchcock	Norris	Van Nuys
Clark	Johnson, Colo.	O'Mahoney	

## NOT VOTING—20

Bone	Green	McAdoo	Smathers
Burke	Hale	McCarran	Thomas, Okla.
Dieterich	Holt	Maloney	Wagner
Donahay	Hughes	Minton	Wheeler
Glass	King	Shipstead	White

So Mr. McNARY's amendment to the amendment of the committee was rejected.

Mr. KING subsequently said: Mr. President, I am not sure as to the rule. As soon as I was advised that a vote was to be had I rushed as rapidly as I could from my office to the Senate Chamber, as I desired to vote on this amendment. I ask unanimous consent that the RECORD may show that I voted for the amendment of the Senator from Oregon.

The PRESIDENT pro tempore. The Chair regrets to inform the Senator from Utah that the rule prevents that being done, and that is one rule which cannot be waived.

The question now is on agreeing to the amendment of the committee.

The amendment of the committee was agreed to.

The PRESIDENT pro tempore. The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. The next committee amendment passed over is, on page 6, line 21, after the word "effect", where it is proposed to strike out down to and including the word "contract" in line 6, page 7, in the following words:

No soil-conserving (class I) payment under the Soil Conservation and Domestic Allotment Act, as amended, shall be payable with respect to cotton, wheat, field corn, rice, or tobacco (except flue-cured, Maryland, and burley), but in lieu thereof cooperators shall receive the parity payments under adjustment contracts. All such soil conserving payments with respect to other agricultural commodities, and all soil-building (class II) payments under said act shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract.



And in lieu thereof to insert:

Soil Conservation Act payments shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract; and, in lieu of the payments under such act with respect to wheat and corn produced for market, cooperators shall receive the parity payments under adjustment contracts: *Provided*, That if for any year the eligible farmer produces no wheat or corn for market, but devotes to soil-conserving uses the acreage customarily devoted to such production of wheat or corn, then the farmer shall not be denied Soil Conservation Act payments for such year by reason of his failure to enter into an adjustment contract.

Mr. BORAH. Mr. President, that is one of the amendments which I asked to have go over, and I am going to ask that it go over a second time. The senior Senator from Louisiana [Mr. OVERTON] has an amendment touching the same subject matter, and I ask that this amendment go over until I can confer with him. I think the matter can be settled by an amendment based upon the principle which the Senator from Louisiana has included in his amendment; and I should like to have this amendment go over until we can have a conference on the matter.

The PRESIDENT pro tempore. The Senator from Idaho asks that the amendment be again passed over. Is there objection? The Chair hears none.

The clerk will state the next amendment passed over.

The LEGISLATIVE CLERK. The next committee amendment passed over is on page 8, line 14, where it is proposed to strike out down to and including line 2, on page 9, in the following words:

(b) Each adjustment contract shall include a provision that the Secretary shall, whenever necessary in order to carry out during any marketing year the declared policy of this act with respect to any major agricultural commodity, require during such marketing year or within 30 days prior thereto that each cooperator engaged in producing the commodity for market store under seal, until the expiration of such marketing year or such shorter period as the Secretary shall prescribe, his stock of such commodity up to an amount not exceeding 20 percent of the crop harvested by him during the calendar year in which such marketing year begins. Such cooperator shall be entitled to obtain from the Corporation surplus reserve loans with respect to stocks stored in accordance with this subsection.

And in lieu thereof to insert a new subsection (b), as follows:

(b) The Corporation is directed to make available loans on cotton and may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton. Loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored under seal. The amount, terms, and conditions of such loans shall be fixed by the Corporation, taking into account the maintenance of foreign outlets for the commodity and the effect of prospective production of the commodity on the value of the stock of the commodity held or to be acquired as security for the loan.

Mr. McNARY. Mr. President, when that amendment was read yesterday I observed the absence of the Senator from Mississippi [Mr. BILBO], who, I am advised, caused this paragraph to be written into the bill. That is the reason why I asked that the amendment go over. I think I understand it so far as that is concerned.

I observe that the Corporation is directed to make available loans on cotton. There is a mandatory direction to make loans on cotton. It is also provided that the Corporation may make loans available on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton.

I do not quite understand the contradictory terms of the amendment. The Secretary must make loans on cotton. He may make loans on rice, tobacco, and all other agricultural commodities other than wheat, corn, or cotton. It would seem that in the first sentence on page 9, in line 5, loans on wheat, corn, and cotton are prohibited, whereas in line 4 of the same page the Corporation is directed to make loans on cotton.

I ask the Senator from Mississippi what construction he places on the language which to me is clearly contradictory; and even if it is not contradictory I inquire, What is the purpose of discriminating against loans on wheat and corn?

Mr. BILBO. There is no desire to make it different from the requirements for loans on the other commodities. If the phraseology makes it mandatory, I have no objection to

changing it to conform to the language relating to the other loans.

Mr. McNARY. It is very obvious that a specific direction is made to the Corporation to loan money on cotton. Then it is also equally obvious that the loans cannot be made on wheat and cotton. What does the Senator want with regard to cotton? Does he want a loan or does he not want a loan?

Mr. BILBO. I want a loan.

Mr. McNARY. Is the Senator satisfied that this language would give him a loan?

Mr. BILBO. I have no desire to make it mandatory, but merely to put it in the class with other commodities.

Mr. McNARY. Aside from that the Senator's amendment provides in one breath that the loans shall be made on cotton and in the next breath he says that they shall not be made on cotton. Does he want a loan on cotton or does he not want a loan on cotton?

Mr. SHIPSTEAD. Mr. President, I suggest to the Senator from Oregon that the Secretary should be directed to make a loan on cotton just as he makes it on the other commodities.

Mr. McNARY. Yes.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. BARKLEY. Undoubtedly there is merit in the criticism of the Senator from Oregon as to this language. It starts out by making loans on cotton mandatory and then provides that the Secretary or the Corporation "may" make available loans on rice, tobacco, and all other products except wheat, corn, or cotton. I do not know whether that means all other agricultural products outside of the scope of the bill or not. It seems to me the provision for availability of loans ought to be equally applicable to all commodities covered in the bill. The language should make loans available within the discretion of the Corporation on cotton, rice, tobacco, wheat, and corn. If that is what is intended, it is not accomplished by what the language itself provides.

Mr. POPE. Mr. President, will the Senator from Oregon yield?

Mr. McNARY. Certainly.

Mr. POPE. I agree with the Senator from Oregon that the language is involved and contradictory. There is a provision elsewhere in the bill for loans on wheat and corn, and I assume it was the intention of the Senator from Mississippi [Mr. BILBO] to make loans available on cotton and other commodities, but certainly the language in line 5, "other than wheat, corn, or cotton," should be stricken out in order to make it intelligent. The first part of it does provide for a mandatory loan on cotton and a permissive loan on rice, tobacco, and other agricultural commodities. It seems to me the criticism of the Senator from Oregon is entirely correct as to the language, although I think it is the desire of those representing the cotton States, in general terms, that loans might be made available, at the discretion of the Corporation, to be made on cotton and other commodities included in the bill.

Mr. McNARY. There is more to the amendment than that. The language makes it plain that the Surplus Reserve Corporation "shall" loan money on cotton and it "may" loan on other commodities. That is a discretionary power. I am inclined to believe it is a very good amendment that far. I think if we are to set up a \$600,000,000 corporation, as provided in the bill, with \$100,000,000 for capital stock and permission to issue debentures up to five times its capital stock, which would make \$600,000,000 in all, that the \$600,000,000 should be available to every farmer in the country irrespective of the results of the last election.

The bill is still constructed along discriminatory lines of course, which I thoroughly understand and have tried to point out from time to time. If we are not to give adjusted payments to cattle growers and chicken raisers and fruit producers and vegetable producers, something ought to be given to them in this bill and this is the first attempt to give them any consideration whatsoever in comparison with the other so-called basic agricultural commodities. If we are to have a loan corporation which has \$600,000,000 available for loans,



I should very much like to have this particular language in the amendment changed. It is confusing and contradictory as it now reads.

I think there is at least a modicum of merit in the amendment when it provides that the money shall be available to all agricultural commodities. I can conceive of apple growers in Washington and Oregon and citrus growers in Florida and California and potato growers in Idaho and Maine—and I might go through the category of agricultural commodities—who might want to take advantage of this low rate of interest from the corporation and would be entitled to this benefit quite as much as the man who raises the commodities which are specified and benefited in the bill. That part of it I favor. But the language of the bill, as I have pointed out, says in one place the corporation can loan on cotton and in another place that it cannot loan on cotton, and is denied from lending to wheat and corn. I think we ought to pass the amendment over until it can be worked out and put in understandable shape, or defeat it in its present form.

Mr. BORAH. Mr. President, I desire to suggest a possible way out of the difficulty. Strike out the words "is directed to" and insert "may", and then strike out the words "on cotton and may make loans available on rice, tobacco, and"; then strike out the words "other than wheat, corn, or cotton", so it would read:

The Corporation is directed to make available loans on all agricultural commodities.

That would leave it to the discretion of the Corporation to make whatever loans it pleased on whatever commodities the exigencies might require. It would be wholly within the discretion of the Corporation.

Mr. McNARY. That covers my proposition entirely. It would permit the Corporation to lend Government money to the producers of all agricultural commodities, irrespective of whether they are enumerated in the bill. It is the only fair provision which I have found in a bill otherwise wholly discriminatory.

Mr. BARKLEY. Mr. President, let me ask the Senator from Oregon a question, and I should like at the same time to have the attention of the Senator from Mississippi [Mr. BILBO].

Mr. McNARY. I yield to the Senator from Kentucky.

Mr. BARKLEY. What is the reason for making any difference between the mandatory character of the loans as among the five commodities dealt with in the bill? If there is any reason why the loans should be mandatory on wheat, corn, and cotton, and not mandatory on tobacco and rice, I should like to know the reason. It does not occur to me at the moment.

Mr. POPE. Mr. President, will the Senator from Kentucky yield to me?

Mr. BARKLEY. I have not the floor, but the Senator from Oregon has left his place, and so I will take the floor. I yield to the Senator from Idaho.

Mr. POPE. It will be noted on page 7, under the title "Surplus reserve loans," that the Corporation—

Is directed to make available surplus reserve loans upon wheat or corn produced for market at the loan rates prescribed in schedule A of this title, based on the parity price, and the relationship of the total supply to the normal supply, as proclaimed at the beginning of the marketing year.

The reason for that is that under schedule A, when certain conditions are found to exist, when the price falls below parity and when the total supply reaches a certain level, loans must be made. That contemplates the establishment of an ever-normal granary. When an ever-normal granary is established then the Secretary must make loans. But since the ever-normal-granary feature does not apply to cotton, and schedule A does not apply to cotton as to loans nor tobacco nor rice, it seems to me it would be entirely appropriate to adopt the amendment of my colleague, the senior Senator from Idaho [Mr. BORAH], because even though we use the word "directed" in subsection (b) at the top of page 9, further on in another provision the matter is left discretionary with the Corporation anyway. It is

provided that the amount, terms, and conditions of such loans shall be fixed by the Corporation, taking into consideration various things.

Mr. BARKLEY. The question has been raised whether the loans must be available to all agricultural commodities outside of those specified in the bill—wheat, corn, cotton, rice, and tobacco. It seems to me that would bring endless confusion because the language "loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored under seal," is contained in the paragraph.

Mr. POPE. But I call the attention of the Senator from Kentucky—

Mr. McNARY. Mr. President, I have only 15 minutes, and I cannot permit my time to be occupied in this way.

Mr. BARKLEY. I thought the Senator had left and that I had taken the floor in my own time. I did not understand I was intruding upon the Senator's time. The Senator yielded to me and I thought he had left, and so I undertook to take the floor myself.

Mr. McNARY. I merely stepped to the desk to consult the Parliamentarian, but not to leave the Chamber.

Mr. BARKLEY. I thought I was occupying my own time.

Mr. McNARY. Very well; I yield the floor so the Senator from Kentucky may take it.

Mr. BARKLEY. I yield to the Senator from Idaho.

Mr. POPE. Mr. President, I was attempting to answer the question with reference to corn and wheat by saying that the Secretary has no discretion in the matter as to when loans shall be made when he establishes an ever-normal granary under schedule A.

Mr. BARKLEY. When wheat and corn qualify under the terms of this bill then it is mandatory under this language that he shall make the loans. This language attempts to deal with cotton, tobacco, and rice.

Mr. POPE. Yes.

Mr. BARKLEY. I take it the purpose is to make all three of those crops stand on the same basis among themselves.

Mr. POPE. It was the thought of those representing cotton that a general provision, authorizing the Corporation to make loans with reference to cotton, would be satisfactory. Therefore, since cotton does not come under schedule A, somebody would have to decide when such loans should be made. My understanding was that would be left to the Corporation and the Secretary of Agriculture. The same situation does not exist as to cotton. I have no objection to the use of language providing that the Corporation shall make available loans on cotton, rice, tobacco, and other commodities. I think it may be just as necessary that the Corporation have authority to make loans on other commodities.

Mr. BARKLEY. I do not object to that if the requirement as to storage and insurance are complied with, which is one of the conditions under which a loan may be made.

Mr. POPE. In the minds of the committee I am very sure that the use of the term "solely of stocks of the commodity insured and stored under seal" had to do with security for the loan. In any event, when the loan was made the commodity should be stored under seal.

Mr. BARKLEY. Not necessarily stored under seal as provided in the sections of the bill.

Mr. POPE. Oh, no.

Mr. MCGILL. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. MCGILL. In order that we may not be misunderstood, I think it was the view of the committee, in adopting this amendment, that the loans were not to be limited to just the commodities named in the bill, but it was the view of the committee that it would be in the power of the Corporation to make loans on other agricultural commodities.

Mr. BARKLEY. That is all right. I merely wanted to clear that up.

Mr. MCGILL. I think the language employed by the senior Senator from Idaho would cover the entire situation. If we make the language read, "The Corporation may make

available loans on all agricultural commodities," that certainly would meet the entire situation.

Mr. COPELAND. Mr. President, will the Senator from Kentucky yield?

Mr. BARKLEY. I yield.

Mr. COPELAND. I have understood the Senator from Idaho [Mr. POPE] in reply to a question of mine earlier in the debate, to say that these loans were to be made on other agricultural products than those definitely stated in the bill. I take it that is the view of the Senator at the present time.

Mr. POPE. It is.

Mr. BARKLEY. I am ready to vote on the amendment of the Senator from Idaho.

Mr. BORAH. Mr. President, my amendment would strike out the words "is directed to" in line 3, and would insert the word "may"; and then in line 4 would strike out the words "on cotton and may make loans available on rice, tobacco, and" and insert the word "on" in line 5, strike out the word "other" in line 5 after the word "all", and also strike out the words "other than wheat, corn, or cotton", so that the clause would read:

The Corporation may make available loans on all agricultural commodities.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. ELLENDER. Does the Senator interpret his amendment to mean that it would be optional, except as to wheat or corn, for the Corporation to make loans on all agricultural commodities?

Mr. BORAH. No; I would authorize the Corporation to make loans, in its option, on all commodities.

Mr. ELLENDER. I asked the Senator from Idaho the question because under schedule A at page 21 loans are made mandatory insofar as corn and wheat are concerned.

Mr. MCGILL. That is provided for on page 7.

Mr. ELLENDER. Yes, page 7, section 5. I understand; but the question I asked the Senator from Idaho was whether he interpreted his amendment to mean that loans might be made on all commodities if the Corporation chooses to do so?

Mr. BORAH. What I desire is to make it optional with reference to all commodities, and if there is any conflict with any provision elsewhere, that could be remedied.

Mr. ELLENDER. I am trying to point out to the able Senator from Idaho that his amendment does not apply to corn and wheat. Even if his amendment is adopted corn and wheat growers can demand a loan as provided under schedule A.

Mr. BORAH. There ought to be a discretionary power lodged in this Corporation to make loans upon all commodities. In my opinion, loans rest upon a wholly different basis than that on which parity payments and other matters rest. There ought to be a power, for instance, to take care of any particular commodity which might be in distress, and I desire to make the language broad enough so as to cover all commodities, it being always in the discretion of the Corporation whether it shall make a loan at all or not.

Mr. MCGILL. The loans under the discretionary power provided for in the committee amendment would be available under the Senator's amendment on all commodities, but if we are to retain schedule A, we should provide for loans on wheat and cotton which will provide for the surplus-reserve loan as provided in that schedule.

Mr. BORAH. We can do that when we reach that provision.

Mr. MCGILL. It is not the class of loans contemplated by this section, but it is the class of loans to maintain the loan provision of the schedule.

Mr. BARKLEY. Mr. President, under schedule A, set out on page 21, if wheat and corn arrive at a certain status, it is mandatory that a loan shall be made. Under the language of the amendment now under consideration, as proposed to be amended by the Senator from Idaho, the Corporation could even make a loan on wheat or corn without

wheat or corn being able to qualify under the schedule, but if they did qualify, it would then be mandatory. Is not that the way it would be interpreted?

Mr. MCGILL. In other words, no loan is provided under schedule A if the commodity price is above parity. There is no provision in the schedule at all for a loan unless the commodity price is above parity, and if it is desired that there should be a loan on wheat or corn, and the commodity price is above parity, the Corporation then, under the amendment now under discussion, could make such a loan.

Mr. BARKLEY. It could make a loan on wheat and corn even before the price reached parity, the same kind of a loan it could make on rice, tobacco, or cotton.

Mr. POPE. That is correct.

Mr. MCGILL. The loans authorized prior to the price-reaching parity are provided for in schedule A.

Mr. BARKLEY. That is mandatory; but suppose wheat and corn both arrive at the point where they could qualify for a loan under schedule A; under the language of the amendment, if the amendment offered by the Senator from Idaho should be agreed to, the Corporation could still make this kind of a loan on wheat or corn.

Mr. BORAH. That ought to be true.

Mr. ELLENDER. Mr. President, in reply to the Senator from Kentucky [Mr. BARKLEY], I maintain that loans would be mandatory under section 5, page 7, of the bill, and under schedule A at page 21, as I have previously shown. Where the production is up to 100 percent or 114 percent, or more, the schedule provides that loans must be made by the Corporation on both wheat and corn at a certain percent of parity.

Mr. BARKLEY. That is correct; but if they never reach that point, so that the "must" does not apply, under the language of the amendment of the Senator from Idaho they could still make loans like these on wheat and corn.

Mr. ELLENDER. The Corporation would be obligated to make loans, as I interpret the language above referred to, insofar as wheat and corn are concerned.

Mr. BORAH. If the producers of wheat and corn qualify under the schedule on page 21, they are entitled to the loans; but if they do not qualify, they would be entitled to loans under the proposed amendment.

Mr. ELLENDER. I cannot foresee a time when they would not qualify under section 5 and schedule A, on page 21. If the production is up to 100 percent and gradually increases to 114 percent or more of the normal supply, they are entitled to obtain a loan at from 85 percent to 52 percent of parity.

Mr. BORAH. But the "must" provision does not conflict with the "may" provision. It is true we provide that the Corporation may make the loan; then we provide in another instance, where a certain condition exists, that they must do so. There is no conflict between those two.

Mr. ELLENDER. Except as to corn and wheat. They must do it, as I pointed out, as to wheat and corn. It is mandatory and not affected by the amendment of the Senator from Idaho [Mr. BORAH]. On page 7, section 5, I read:

The Surplus Reserve Loan Corporation, established by title VII of this act, is directed to make available surplus reserve loans upon wheat or corn produced for market at the loan rates prescribed in schedule A of this title.

Now, referring to schedule A, page 21, it will be seen that when the total supply ranges up to 100 percent of the normal supply the loan rate is 85 percent of parity. The loan rate decreases as the total supply increases above the normal supply, so that when 114 percent or more above the normal supply is reached, then loans are made at 52 percent of parity.

Mr. GILLETTE. Mr. President, I wish to direct the attention of the Senator from Idaho to another matter which has not been discussed. The purpose of the particular act now proposed is to set up a Reserve Loan Corporation for the purpose of making the type of loan which will take care of the appeal that is made to the signers of adjustment contracts. As the amendment is offered by the Senator it would open



up the field to loans by the Surplus Reserve Corporation on all agricultural commodities. We are providing a capital of \$100,000,000 for this Corporation, to be subscribed by the Treasury. We already have a Commodity Credit Corporation, with \$93,000,000 subscribed by the Treasury, who cover this identical field, who are incorporated under the laws of the State of Delaware, and have the power to make the very type of loans the Senator is covering in the amendment he has offered.

Mr. President, there would be complete duplication. The President has, by Executive order, included practically every agricultural product as an eligible subject for loans from the Commodity Credit Corporation, and I wish to direct attention to the complete duplication that would be the result of clothing the contemplated Surplus Reserve Corporation with the power to make the same kind of loan the Commodity Credit Corporation makes.

Mr. AUSTIN. Mr. President, a law which would direct a financial institution to make loans of a certain description and permit the same institution to make loans of another description in its discretion only, might work out in practice to the entire exclusion of those loans upon which the discretion was allowed, because by the act which would make certain loans mandatory, we could, in practice, entirely exhaust all of the available capital in the institution for loans which comply with the mandatory feature of the law, and thus those over whom there was a preference created by the act itself would be discriminated against.

I understand that no one here has such a design in view, and I think that if we make the amendment suggested by the Senator from Idaho we should also turn back to the surplus reserve loan provision, reconsider the vote by which it was adopted, and amend that so that it also will be under the enabling verb instead of the mandatory verb.

The PRESIDENT pro tempore. The question is on the amendment offered by the senior Senator from Idaho [Mr. BORAH] to the amendment of the committee. The Senator from Idaho has moved to strike out certain language commencing in line 3, on page 9, so as to make the sentence read:

The Corporation may make available loans on all agricultural commodities.

The amendment to the amendment was agreed to.

Mr. BILBO. Mr. President, the change in the verbiage of this amendment is satisfactory, but I am sure the Senator had no idea of trying to give cotton a preference over any other commodity. From the verbiage in the rest of the subsection, however, it strikes me that on line 8 the words "under seal" should be eliminated from the sentence commencing on line 6, so that it would read:

Loans made pursuant to this subsection shall be made on the security solely of stocks of the commodity insured and stored.

The words "under seal" are not applicable to the handling of cotton. They are not necessary. As to the other commodities, the Corporation could require, as a matter of regulation, that they be stored under seal, but it would not be feasible in making a loan on cotton to put cotton under seal. Therefore, I move that we eliminate the words "under seal" on line 8.

The PRESIDENT pro tempore. The question is on agreeing to the amendment offered by the Senator from Mississippi to the amendment of the committee, which will be stated.

The LEGISLATIVE CLERK. It is proposed, on page 9, line 8, to strike out the words "under seal."

The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

Mr. AUSTIN. A parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. AUSTIN. Is it appropriate at this stage to ask for a reconsideration of the vote by which the Senate adopted the language on page 7, lines 19 to 25, for the purpose of suggesting an amendment to change the directory provision to an authorizing provision?

The PRESIDENT pro tempore. In section 5, on page 7, certain minor amendments were made to the original text. Of course, the Senator may move a reconsideration of the votes by which those committee amendments were agreed to, but if they were reconsidered, an amendment to the text would not be in order until after the committee amendments to the entire bill had been acted on. Then such an amendment would be in order. If the Senator is interested in the two amendments which were adopted, he can move that the votes by which they were agreed to be reconsidered.

Mr. AUSTIN. Mr. President, I do not know whether I understand the ruling. Is it true that we would be helpless to change this provision from a mandatory one into an authorizing one if we permitted the provision, as it now stands, to go over until the end of the consideration of the committee amendments?

Mr. BORAH. Mr. President, may I submit a suggestion? In order to accomplish what the Senator desires, we would have to amend the original text, and it has been held, and properly held, that that cannot be done until the committee amendments have been disposed of.

The PRESIDENT pro tempore. That is the opinion of the Chair.

Mr. AUSTIN. Mr. President, is it in order for me to give notice at this time, so that it may be considered, that I intend to move to strike out the words "is directed to", in line 21, on page 7, and to substitute therefor the word "may"?

The PRESIDENT pro tempore. That amendment will be in order after the committee amendments are disposed of. In the meantime, the amendment will be considered as lying on the table.

Mr. AUSTIN. Very well.

The PRESIDENT pro tempore. The clerk will state the next amendment.

The CHIEF CLERK. On page 11, after line 17, it is proposed—

Mr. McNARY. Mr. President, just a moment. Yesterday evening I asked that the amendment which is found on page 10, section 6, go over, and it was so ordered.

The PRESIDENT pro tempore. The Chair is informed that certain Senators asked to have section 6 go over for the purpose of preparing amendments to it, and they apparently are not ready to proceed so far as the Chair understands.

Mr. OVERTON. Mr. President, in view of the request made by the Senator from Idaho [Mr. POPE], who, I understand, desires to confer with me with reference to the amendment I have offered to the committee amendment, I ask that the amendment go over for the present.

The PRESIDENT pro tempore. Is that the amendment to section 6 on page 10?

Mr. OVERTON. No; it is on page 11.

The PRESIDENT pro tempore. The Chair is informed that yesterday the Senator requested that the amendments to section 6 go over. Is it the desire of the Senator to ask that consideration of section 6 go over for a further time?

Mr. McNARY. I have no desire, Mr. President, to make such a request; but I think the Senator from Alabama [Mr. BANKHEAD] expressed a desire to offer an amendment.

The PRESIDENT pro tempore. If there is no desire that consideration of amendments to section 6 go over further, they will be considered at this time by the Senate.

Mr. POPE. Mr. President, all the amendments in section 6 were adopted yesterday except those in subsection (c), at the bottom of page 11. They went over; but all the minor amendments which occur on pages 10 and 11, except in subsection (c), were adopted yesterday.

The PRESIDENT pro tempore. The Chair is informed that the amendment, in lines 12 and 13 on page 10, went over yesterday.

Mr. McNARY. That was at my request yesterday.

The PRESIDENT pro tempore. The Chair is informed that it went over at the request of the junior Senator from Alabama [Mr. BANKHEAD].

Mr. McGILL. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state it.

Mr. McGILL. Was the amendment on lines 12 and 13 on page 10 acted upon yesterday?

The PRESIDENT pro tempore. It was not. It was passed over on the request of the junior Senator from Alabama.

Mr. BANKHEAD. Mr. President, I have an amendment which I called up yesterday, on page 10, at the end of line 10. The question arose whether it was in order at that time, because we were considering committee amendments. The occupant of the chair at that time stated that in part it could be acted upon, and in part it was not at that time in order. I do not know whether or not it is in order now. If it is, I ask that it be considered. If not, and if there be objection, it may go over.

The PRESIDENT pro tempore. The entire amendment of the Senator, as the Chair understands, would not be in order, except by unanimous consent, by reason of the fact that part of it is an amendment to a committee amendment and part of it is an amendment to the original text.

Mr. BANKHEAD. Mr. President, let me suggest the purpose of my amendment, and after that statement has been made I doubt whether there will be objection to it.

Mr. BORAH. Mr. President, it seems to me that the way the bill has been drawn, with the committee amendments in the bill, if a proposed change would result in amendment of the committee amendment and the original text, we ought to have a unanimous-consent agreement to the effect that where a Senator desires to cover the amendment to the bill and also a part of the text, he should be permitted to offer his amendment, because otherwise we will get through and then have to go back and reconsider all these amendments. I suggest that the Senator ask unanimous consent to offer his amendment now.

Mr. BANKHEAD. I make that request.

The PRESIDENT pro tempore. Without objection, it is so ordered. The amendment of the Senator from Alabama will be stated.

The CHIEF CLERK. On page 10, at the end of line 10, it is proposed to insert the following:

In lieu of payments made under the Soil Conservation and Domestic Allotment Act with respect to such commodity.

On page 10, line 13, after the word "cooperator", it is proposed to insert the following:

And in the case of cotton the acreage of cotton does not exceed the acreage apportioned to the farm pursuant to the provisions of title III of this act, or in the absence of such apportionment does not exceed the acreage apportioned to the farm under the Soil Conservation and Domestic Allotment Act.

Mr. BANKHEAD. Mr. President, the only purpose of this amendment is to make certain what the Department thinks is already in the bill, but I had some doubt about it; and that is, in the event we have no quota plan on cotton, that cotton then, like corn and wheat, will be under the soil-conservation program.

That is the only purpose of the amendment.

Mr. AUSTIN. Mr. President, will the Senator yield to permit an inquiry?

Mr. BANKHEAD. I yield.

Mr. AUSTIN. I desire to understand the amendment. I observe that the payments to which the Senator refers in his first amendment are provided thereby to be in lieu of the Soil Conservation and Domestic Allotment Act payments for the same commodity. Does the Senator attempt by his amendment to amend the contract already existing?

Mr. BANKHEAD. No; it does not touch any contract at all. This is what it is intended to do: There are two contingencies under which we would have no cotton-control program. One is in the event we should reach parity, and therefore would not need a national quota, or in the event it was decided for any reason that we did not need a national quota. Then it is uncertain whether or not we would be entitled to participation in the soil-conservation program. It is specifically provided here that the cotton and wheat cooperators shall participate under similar circumstances under the soil-conservation program.

In the event we do not have any national quota, either by reason of an approach to parity price or other circumstances by reason of which the Secretary shall find we do not need one, or in any other contingency, such as in the event the farmers by a third of the vote at any time should reject the control program, then, in the absence of a control program, we want to make it clear that we participate under soil conservation, because that is then the only place we would have to go. We would get into the same category here as wheat and corn in the event we should have no control program.

Mr. AUSTIN. Mr. President, will the Senator consider the suggestion that he change the words "in lieu of", the words he uses in his amendment, to the words "in the absence of"?

Mr. BANKHEAD. I have no objection to that change, Mr. President.

Mr. AUSTIN. I make that suggestion because I think "in lieu of" has a specific and well-established meaning to be "in the place of", "instead of."

Mr. BANKHEAD. The Senator suggests the substitution of the words "in the absence of"?

Mr. AUSTIN. Yes.

Mr. BANKHEAD. I ask unanimous consent to make that change in my amendment.

The PRESIDENT pro tempore. The Senator may modify his amendment.

Mr. POPE. That relates only to cotton?

Mr. BANKHEAD. Yes.

Mr. POPE. Under the amendment as amended, cotton would not get the soil-conservation payments and parity payments both?

Mr. BANKHEAD. Absolutely not.

Mr. McGILL. As I understand, soil-conserving payments are not made on wheat and corn now. It is not intended by the Senator's amendment to make the parity payments in lieu of soil-conserving payments, is it?

Mr. BANKHEAD. It is intended if we have no program, no control in operation, no national quota, to put cotton under the soil-conservation program. In cotton we have no division between cooperators and noncooperators. For that reason this amendment we thought was necessary.

Mr. McGILL. What I should like to know from the Senator with reference to his amendment is this: As I would construe it, it is calculated to make the parity payments in lieu of such soil-conservation payments now made on wheat and corn, for instance. Due to the fact that soil-conserving payments are not made on those commodities I would take it that he does not intend to affect soil-conserving payments by this amendment?

Mr. BANKHEAD. I do not.

Mr. McGILL. I wanted to make clear in the Record what it was intended to cover.

Mr. BANKHEAD. I ask unanimous consent that the change suggested by the Senator from Vermont [Mr. Austin] to substitute the words "in the absence of" for the words "in lieu" be made.

The PRESIDENT pro tempore. That change has already been made.

The question is on the amendment of the Senator from Alabama [Mr. BANKHEAD] as modified.

Mr. McNARY. Mr. President, the language on line 13 was not in any of the bills heretofore considered. It plainly exempts the cotton noncooperator. The language in the bill again draws the distinction between wheat and corn and cotton, as usual to the detriment of wheat and corn. Parity payments are to be paid to a cooperator in wheat and corn, the implication being that they will not be paid to a noncooperator. It is plainly evident that a cotton maker who has a contract with the Government, whether he be a contractor or a noncontractor, will get his parity payment; otherwise this language would not be used. If I am mistaken in that, I should like to have the reason given for the exception plainly noted in the language in the bill.

Mr. BANKHEAD. Mr. President, the proposition is this: Cotton has two base situations or contingencies. One is



a control program applying to all commodities, under which there is no distinction between cooperators and noncooperators. In the event the control program is not in effect, the amendment then gives to the cotton producer the privileges granted to the wheat and cotton producer if he cooperates. In other words, if they do not sell cotton from excess acreage under the program they qualify as cooperators, just as the producers of wheat and corn do. That is the only difference. There is no control program for wheat and corn such as there is for cotton, and we are providing here simply to take care of cotton under the domestic-allotment plan when we have no national quota.

Mr. McNARY. Mr. President, in order to consider that language one must review one or two other provisions of the bill.

On page 1 there is a declaration of policy, that parity payments shall be made. Looking at the text of this proposal, section 6 begins:

Promptly following the close of each marketing year—

We must keep in mind the fact that the marketing year for wheat closes on June 1. I ask the attention of the very able Senator from Alabama, because I want him to understand this section. The marketing year for cotton closes on the 1st day of August of each year. The section provides that promptly following the close of each marketing year the Secretary shall make parity payments to the producers of cotton, wheat, or corn; but when we get down to the language in line 12 we find that when it comes to wheat and corn the farmer must be a cooperator. Under the original bill, the cotton man had to be a cooperator, but now, under this language, he does not have to be a cooperator; so that if one has not an adjustment contract on corn or wheat he cannot share in the parity payments.

Let us see about the parity payments.

On page 65 it is provided that—

2. "Parity," as applied to prices for cotton, wheat, corn, tobacco, or rice, shall be that price for the commodity as will give to the commodity a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of such commodity—

During the "golden age" which is specified.

Mr. President, the Secretary has no discretion in the matter. He must make these parity payments on the 1st of June to the producers of wheat and corn, and on the 1st of August to the producers of cotton, and he must pay according to the definition of the word "parity." We cannot get around that. As we read this section, however, we find that when it is applicable to the producer of wheat and cotton he must be a cooperator, but the producer does not have to be a cooperator as the section applies to cotton. That is the interpretation I place upon the language; and if that is not correct I wish to be advised of the fact.

Mr. BANKHEAD. Mr. President, the Senator's interpretation is not correct in the legal sense, because the amendment states conditions with which the cotton producer must comply which in legal effect make him a cooperator. It is not necessary to use the word "cooperator," but the bill requires him to comply with the acreage formula or program announced by the Department.

Mr. McNARY. Mr. President, to continue, on page 3, in section 3, adjustment contracts are required of the wheat and corn producer, but are not required of the cotton producer. That is discrimination No. 1. Discrimination No. 2 is that when it comes to making parity payments, which are defined, the producer must be an adjustment contractor if he is raising wheat and corn, but not if he is raising cotton. Anybody can get a parity payment under cotton, whether he is a contractor or not.

I repeat the statement I made a few days ago: Why should we again and again and again discriminate against the producers of wheat and corn by requiring an adjustment contract in the case of those commodities when we do not require it in the case of cotton? And when it comes to making parity payments, if a man is raising wheat or corn, parity payments cannot be made to a noncooperator. That means a man who desires to act according to his own judgment,

exercising the feeling that farmers should exercise, but in the case of cotton he may enjoy that feeling and still get parity payments.

I desire to know from the able Senator from Idaho [Mr. POPE] or the able Senator from Kansas [Mr. MCGILL]—who prepared the bill and who probably were present when some of these strange amendments were incorporated in it—whether that is not the construction to be placed on the language to which I have referred in line 13, page 10.

Mr. POPE. Mr. President, the Senator has directed a question to me and to the Senator from Kansas. If he will yield, I will give him my view.

Mr. McNARY. Very well; that is what I am seeking. I yield to the Senator.

Mr. POPE. I think it unnecessary again to explain the difference between the approach as to corn and wheat on the one hand and as to cotton, rice, and tobacco on the other. In the first place, a contract is provided for in the case of the producers of corn and wheat, for the reasons which I stated to the Senate a few days ago. It is absolutely impossible to know in advance whether 51 percent of the corn and wheat farmers will cooperate unless we have a contract. We cannot proceed on the basis of offer and acceptance, as under the Soil Conservation Act.

Mr. McNARY. This matter has not anything to do with that.

Mr. POPE. The Senator asked my opinion. I desire to make this statement as preliminary to what I was about to say.

Mr. McNARY. Very well.

Mr. POPE. Therefore it is necessary, under a program of this sort, to have contracts as to wheat and corn.

As to cotton, since all that is necessary is a referendum, a vote, and then either a conformance with the program set out for cotton, rice, and tobacco or not, I can see that a contract would not be necessary. It may not even be desirable.

So the reason for the language on page 13 is that in the case of wheat and corn, the farmer is made a cooperator. If he is a cooperator, he is entitled to parity payments. If he is not a cooperator, of course, he will not be entitled to them. With reference to cotton, rice, and tobacco, the farmer is a cooperator after a favorable referendum. The term is not actually used in that connection, but by analogy he would be a cooperator if a referendum had been held, and the vote were favorable, and the program were put into effect. That is the reason for the use of that language.

I do not see that any discrimination at all is created against corn and wheat. It is simply a different method of approach, and a difference in the language used to effectuate that end.

Mr. McNARY. Mr. President, the Senator from Idaho is a great lawyer. I am a successful farmer, and I think we farmers understand the meaning of that language. As I pointed out a week ago, the Secretary of Agriculture in his letter has taken the same position; namely, that there should be adjustment contracts for all these commodities. I desire now to say to the Senator from Idaho that when the bill was taken by him into the rural sections of the country, it contained provision for adjustment contracts for cotton, wheat and corn; it contained a provision that they should all be treated alike, and that the provisions as to noncooperators should apply to cotton as well as to wheat and to corn.

Mr. POPE. And tobacco and rice.

Mr. McNARY. And tobacco and rice; yes. When the bill comes in here, however, it contains a discrimination to which I say even a farmer can object. There is in the bill now, Mr. President, as plain as can be, and it cannot be explained away, a provision that a cotton producer does not have to sign a contract, while a wheat producer or a corn producer must sign a contract. Unless the producer of wheat or corn signs a contract he cannot have parity payments, which constitute the soul and heart and purpose of this bill; but if a man raises cotton he can get parity payments whether he is a cooperator or not, and whether he has signed a contract or not.

I say that is unfair, unjust, and discriminatory; and the discrimination runs through the bill from first to last. I am pointing it out. I know that my protest will amount to nothing, but I desire to have a history of the matter made in the Senate.

Mr. ELLENDER. Mr. President, with reference to the point under discussion, I cannot see what is bothering the mind of the able Senator from Oregon.

As to wheat and corn, in order for a farmer to get any payments whatever, it is necessary that he sign a contract. It is further necessary that 51 percent of the farmers engaged in the production of either of those commodities sign contracts. It is voluntary. There is no provision making it mandatory, as in the case of cotton. We do not go to the cotton farmer and say, "Here, Mr. Cotton Farmer, we desire you to sign a contract for next year." The national quota for cotton is fixed by the Secretary; it is submitted to the cotton farmers for a vote, and if they vote that they want the quota, then, contract or no contract, they become parties to it. It is not necessary for them to sign contracts. If less than one-third of the farmers vote against the quota as fixed, then the quota applies to every cotton farmer.

In further answer to the Senator from Oregon, I desire to state that any cotton farmer whose acreage is fixed and who produces in excess of it, will not receive any payments of any nature, and he is then designated as a noncooperator. I repeat, in the case of cotton the plan of control is mandatory, while in the case of wheat and corn it is voluntary. That is the whole difference.

Mr. OVERTON. Mr. President, may I engage the attention of the senior Senator from Alabama [Mr. BANKHEAD]? I hope the Senator from Alabama will not accept the modification suggested by the Senator from Vermont [Mr. AUSTIN], substituting the words "absence of" in place of "in lieu of."

The PRESIDING OFFICER (Mr. CLARK in the chair). The Chair is advised that the Senator from Alabama has already accepted the modification of his amendment.

Mr. OVERTON. I am expressing the hope that he will ask, then, to modify his amendment so that it will read as originally presented by him, because if he uses the words "in the absence of," they may be interpreted as leaving it discretionary with the Secretary of Agriculture whether to make parity payments or to make soil-conservation payments; but if he uses the words "in lieu of," no discretion will be vested in the Secretary of Agriculture, and the Secretary will have to make the parity payments in lieu of the soil-conservation payments. I submit that that is a very important question and should be considered by the Senator from Alabama.

Mr. BANKHEAD. Mr. President, I think the matter involved is covered either way. On reflection, however, I am inclined to believe that the original language is preferable, and will accomplish the same purpose. I think I agreed too quickly to the substitute words, in a desire to be agreeable to my good friend from Vermont. "In lieu of" means in place of other payments. "In the absence of" would not displace the other payments but would provide for these payments. So, while it appears to be changing pretty rapidly on this matter, I am going to ask consent to go back to the original language submitted by the Department. I think they have considered it more carefully than I have.

The PRESIDING OFFICER. No vote has yet been taken on the amendment of the Senator from Alabama, and the Senator has a right to modify his amendment.

Mr. BANKHEAD. All right; I modify it by restoring the language submitted by the Department, "in lieu of."

The PRESIDING OFFICER. The Senator from Alabama modifies his amendment in accordance with the printed text, as the Chair understands. Is that correct?

Mr. BANKHEAD. That is correct.

Mr. AUSTIN. Mr. President, it will take but a moment for me to say what I wish about the change. I thank the Senator from Alabama [Mr. BANKHEAD] for his courteous

suggestion that he came part way on personal grounds. I appreciate that very much.

I think there is a very substantial difference between the words "in lieu of" and the words which he accepted, "in the absence of," and that he ought to consider that difference, as I thought he did when he accepted my suggestion.

This particular part of the bill relates to other commodities than cotton. It includes corn and wheat. There are many corn and wheat farmers who are now operating under contracts which they have entered into with the Federal Government for the diversion of land from corn and wheat cultivation for the purpose of carrying out the soil-conservation program of the Federal Government. Under those contracts the Government is obligated and the farmer is obligated. According to my theory, those contracts ought not to be broken by us. Certainly they ought not to be repudiated by us.

Repudiation is opprobrious to me. I shall never knowingly enter upon it. I think that the amendment proposed by the Senator from Alabama, with the words "in lieu of," is a proposal to repudiate those contracts. I realize that his emphasis is largely on cotton, but I ask him to consider what the effect of this is going to be on the producers of wheat and corn. We do not want to say that the Secretary of Agriculture or any other representative of the Federal Government can arbitrarily cut off payments under a soil-conservation contract, and yet that is exactly what this language would do.

If the purpose of the Senator from Alabama, as I understood it to be, is merely to enable those farmers who are not enjoying the benefits of the soil-conservation contracts to have payments hereunder, then the words which he consented to are appropriate and describe just what he wants, and he should not retract the agreement he made with me. I do not try to hold him to that agreement. I simply lay this before him for his judgment, that he may see clearly that action under what he calls for would mean that cotton farmers are endangering contracts with the wheat and corn farmers. We have the words "in lieu of." "In lieu of" represents a substitution for; parity payments to be put in the place occupied by the soil-conservation payments. "In lieu of" means to place parity payments where soil-conservation payments formerly were. It is to that that I object.

Mr. OVERTON. Mr. President, will the Senator from Vermont yield?

Mr. AUSTIN. Certainly.

Mr. OVERTON. If the bill provides that the Secretary shall make parity payments in the absence of payments to be made under the Soil Conservation and Domestic Allotment Act, then the Secretary will be empowered to make soil-conservation payments in lieu of parity payments, will he not?

Mr. AUSTIN. Not as I understand the words "in lieu of."

Mr. OVERTON. If the bill read "in the absence of" and not "in lieu of," then the Secretary of Agriculture could in his discretion make soil-conservation payments and withhold parity payments.

Mr. AUSTIN. No; I think not.

Mr. OVERTON. Is not that the purpose of the suggestion made by the Senator from Vermont?

Mr. AUSTIN. Not at all. The sole purpose of my suggestion is to prevent Congress undertaking to give any power to the administrative departments of the Government to repudiate payments already contracted for.

Mr. OVERTON. Then the purpose of the suggestion made by the Senator from Vermont is that the Secretary shall proceed to make the soil-conservation payments?

Mr. AUSTIN. Certainly; in all cases where the contract exists today, and that we shall not by our act give power to cut them off.

Mr. OVERTON. And when the Secretary does make soil-conservation payments, then he cannot make the parity payments?

Mr. AUSTIN. I do not see how that follows.



Mr. OVERTON. Because it is suggested that it be provided that parity payments shall be made in the absence of soil-conservation payments.

Mr. AUSTIN. It does not say "only" in the absence of soil-conservation payments.

Mr. OVERTON. It is not necessary to say "only in the absence of."

Mr. AUSTIN. I do not follow the Senator at all.

Mr. OVERTON. I think it is very clear. The Secretary shall make parity payments in the absence of soil-conservation payments. There must be an absence of soil-conservation payments before the Secretary can make parity payments. If it is the purpose of the modification proposed by the Senator from Vermont to require the Secretary to make soil-conservation payments, then the Secretary cannot make any parity payments wherever the soil-conservation payments are made.

Mr. AUSTIN. Will the Senator answer an interrogatory by me?

Mr. OVERTON. Gladly, if I can do so.

Mr. AUSTIN. Is it the purpose of the Senator from Louisiana so to legislate that if a farmer is under a soil-conservation contract and receiving payments thereunder, he would be disqualified from receiving parity payments on corn, wheat, and cotton?

Mr. OVERTON. No.

Mr. AUSTIN. That is exactly what the Senator would accomplish if he were to use the words "in lieu of."

Mr. OVERTON. No. As the bill now reads, if a farmer gets parity payments he does not get any soil-conservation payments. I think the bill ought to be modified in that respect, and I have submitted an amendment that will come up in a few minutes which would provide that in case the parity payments are less than the soil-conservation payments, then the soil-conservation payments shall be made. In other words, whichever is greater shall control.

Mr. AUSTIN. When that amendment comes up I shall certainly give it careful consideration, but on the amendment now before us I simply have to say that I cannot support it and I shall oppose it. I do not suppose that will amount to anything, judging from the ease with which the bill thus far has proceeded.

I am certain that this matter will plague the administrators of the bill when they come to put it into effect if the amendment remains as written—"in lieu of." It will more than plague the administrators. If the administrators actually carry out the suggestion of this bill of substitution for their contracts now existing and unfulfilled, there will be something more than a plaguing of the administrators of the law. There will be a great injury to the citizens. That is my thought.

Mr. OVERTON. Mr. President, in order to make clear my position with reference to the provision, I have no objection to an amendment being offered to modify the provision so that the Secretary shall make parity payments in addition to payments made under the Soil Conservation Act. That would carry into execution the amendment suggested by the senior Senator from Idaho [Mr. BORAH]. I certainly would object to using the phrase "in the absence of" instead of "in lieu of."

Mr. POPE. Mr. President, will the Senator from Louisiana yield?

Mr. OVERTON. Certainly.

Mr. POPE. Is it the position of the Senator from Louisiana that cooperators who take part in this program, whether growers of corn, cotton, or wheat, should receive both soil-conservation payments and parity payments?

Mr. OVERTON. I would have no objection and would raise no objection if the amendment were so phrased as to give to the cotton farmer and the wheat farmer and the corn farmer parity payments in addition to the soil-conservation payments; but I am objecting to withholding soil-conservation payments from him entirely in the event he gets no parity payments.

Mr. POPE. Soil-conservation payments are made on all commodities—potatoes and peanuts and various other commodities—the growers of which have indicated that they desire to come under the terms of the bill. So long as potatoes and other vegetables and fruits and all kinds of farm commodities receive soil-conservation payments, then the receipt of parity payments by those particular commodities, corn and wheat and cotton, would put them on a somewhat equal basis. If the corn and wheat and cotton growers receive both parity payments and soil-conservation payments, then it is clear that potatoes and other such commodities would receive very much less in the way of benefits, whatever their difficulties might be, and there would be a greater tendency than now for the growers of potatoes and various other commodities to want to come under the terms of this bill in order to get the additional payments.

Mr. OVERTON. I am not offering the amendment. I was merely making the statement that I would not have any objection to such an amendment. When it comes to cotton we have a different situation from that which exists in reference to potatoes, vegetables, and other commodities mentioned by the junior Senator from Idaho, and possibly a difference between cotton and wheat and corn. Under the program of the bill, if enacted into law, the cotton farmer will be called upon to make a tremendous reduction in his production, probably to produce not more than a national quota of 10,000,000 bales. Since he is making that sacrifice he is entitled to parity payments, and I see no objection to his obtaining, in addition to that, the soil-conservation payments. I am not proposing such an amendment and such an amendment is not now before the Senate. I am merely stating my view in reference to the whole subject matter.

Mr. POPE. I invite the attention of the Senator to the fact that if the policy should be adopted of paying soil-conservation payments and parity payments to those commodities, we are going to have a demand from various other commodities to come under the terms of the bill. We have distinguished as much as possible that demand so far because we are trying to deal with particular commodities, some of which lend themselves particularly to the ever-normal-granary plan. Vegetables do not lend themselves to that kind of a plan, and therefore I hope the Senator will consider the matter of not giving to those commodities too much access to the benefits of the bill.

Mr. OVERTON. The amendment proposed—and I think the Senator will agree to it and I understand the senior Senator from Alabama [Mr. BANKHEAD] will agree to it—provides that in the event parity payments are less than soil-conservation payments the farmers shall receive the soil-conservation payments. I cannot see any objection to that. In no event shall the farmer receive less than the conservation payments, so that if he gets no parity payments at all he will receive soil-conservation payments; and if the soil-conservation payment is less than the parity payment, he will receive an amount equivalent to the parity payment. That is the amendment which I shall propose and which will be reached when we take up the provision on the next succeeding page of the bill.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Alabama. Since there has been some confusion as to exactly what the amendment is, without objection the clerk will again report the amendment, for the information of the Senate.

The CHIEF CLERK. It is proposed on page 10, at the end of line 10, to insert the words "in lieu of payments made under the Soil Conservation and Domestic Allotment Act with respect to such commodity."

Mr. AUSTIN. Mr. President, I should like to finish the suggestions I have to make about this amendment.

We should not forget that there is pending an amendment, which appears on page 7, and which went over at the request of the senior Senator from Idaho, which leaves no choice on the part of the farmer. He must make the contracts provided under the bill.

The PRESIDING OFFICER. Is the Chair to understand that the Senator from Vermont is presenting an amendment to the amendment of the Senator from Alabama?

Mr. AUSTIN. No.

The PRESIDING OFFICER. The Chair is advised that the Senator from Vermont has already spoken on the amendment.

Mr. AUSTIN. Mr. President, I will take my seat, in that event, because what I have to say is with reference to the amendment. I thought I made an interrogatory of another Senator who had the floor.

The PRESIDING OFFICER. The present occupant of the Chair came into the Chair after the Senator from Vermont had spoken. The Chair is advised that the Senator from Vermont has spoken on the amendment.

Mr. AUSTIN. Mr. President, I suppose that what I have to say would not justify a unanimous-consent request for permission to finish my remarks.

The PRESIDING OFFICER. If the Senator desires to submit a request for unanimous consent, the Chair will be glad to submit it to the Senate.

Mr. AUSTIN. I ask unanimous consent that I may complete my statement.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and the Senator is recognized.

Mr. AUSTIN. I will make my statement brief; I have no intention of delaying consideration.

I refer to these words on page 7:

Soil Conservation Act payments shall, if the farmer is eligible to enter into an adjustment contract, be paid to him only if he has entered into such a contract.

The element of coercion is so clear there that one should not forget it when considering the pending amendment. It gives to the Federal authority only, without the farmer having any option or choice in the matter, the power to amend the contract, in fact, the power to repudiate it by substituting for payments under it the payments to be made under the proposed law.

Mr. BORAH. Mr. President, I want the attention of the authors to the bill, and of those who are supporting it, to ask whether there has been any consideration by the committee of the question of limiting the amount of payment which may be made to any individual or corporation. As we know, under the previous law with reference to agriculture, as high as a million dollars was paid to certain corporations, or five or six hundred thousand dollars, and I ask my colleague the junior Senator from Idaho, and the Senator from Kansas whether the question of limiting the amount beyond which no payments should be made as parity payments was considered in the committee.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mr. MCGILL. The matter was considered by the committee. I take it that the Senator has in mind the payments made under the old Agricultural Adjustment Act. So far as the farmers are concerned, payments under the proposed law would be in the nature of the parity payments and the reserve loan payments under schedule A. The adjustment contracts are not to be made on the same basis as was provided under the Agricultural Adjustment Act.

I think it was the view of the committee that, in order to carry forward the program, and have as much as 51 percent or more of the producers in the program, inasmuch as the loans to be made and the payments to be made would be those provided in schedule A, there is really no reason for eliminating large producers, and if they are eliminated, it would probably be destructive of the program itself.

Mr. BORAH. Mr. President, is the Senator of opinion that these large payments may be made under the bill?

Mr. MCGILL. Insofar as one might produce more than another he would receive more. Parity payments and the surplus reserve loans carried in schedule A necessarily would be larger to a large producer than to a small one. There would be the same amount per bushel, there would be the

same in proportion to quantity produced. We have no provision here for payment to a person of so much money for reducing acreage, but if a man enters into an adjustment contract to reduce his acreage he comes within the provisions of schedule A with reference to surplus reserve loans and parity payments on commodities. I think that is an entirely different situation from that under the former Agricultural Adjustment Act.

Mr. BORAH. Mr. President, I think the situation is somewhat different. However, I do not yet see how there is any limitation upon the amount which may be paid to any particular corporation. Like the Senator from Vermont, I am very modest about making statements as to what the bill means, because I am not sure that I know; but, as I understand, a person might be entitled to a payment under the bill of a million dollars.

Mr. MCGILL. If a person produced a sufficient quantity, I presume that might be, in the form of a parity payment. He would not be entitled to money to be paid out by virtue of a contract, such as was the case under the former act; but if we eliminate the large producer from a program of this kind, which is calculated to adjust production to a standard near what the markets, both domestic and foreign, will take, plus a reasonable carry-over, in my judgment we destroy the program.

Mr. BORAH. I am not disposed to urge the elimination of the large producer entirely; but in view of the experience which we had, it does seem to me that there is a limit beyond which we should not go.

Mrs. CARAWAY. Mr. President, will the Senator yield?

Mr. BORAH. I yield.

Mrs. CARAWAY. I should like to say at this point that in the previous program we provided for payments based on the acreage taken out of cultivation. Under the proposed plan the Government will pay on what is produced. The Senator might find that that makes a great deal of difference.

Mr. VANDENBERG. Mr. President, will the Senator from Idaho yield to me?

Mr. BORAH. I yield.

Mr. VANDENBERG. The Senator was referring to disclosures of large payments under the original Triple A Act, and, of course, it is true that the Department report, in response to the Senate request for information as to payments in excess of \$10,000, produced a large list, which I think is available as a Senate document. Among other interesting things it was disclosed, for instance, that there are vast insurance company ownerships in these various areas, that there are vast penitentiary developments in respect to many of these commodities, that there are vast corporate farms, and as a result of the disclosures I think it is fair to say that the Department of Agriculture itself voluntarily insisted that hereafter when payments of this character shall be made they shall at least be graduated so that the larger the owner the smaller the percentage of the application of the ratio of payment. I think that is the position of the Department of Agriculture today.

Mr. HATCH. Mr. President, I should like to propound an inquiry to the Senator from Idaho along the lines on which the Senator from Michigan was speaking. I myself offered an amendment a year or two ago providing for graduated payments. But when we are entering upon a more or less compulsory program, limiting the marketing quota of farmers, by what process would it be right to say to the man who does not come in voluntarily, perhaps, but because he is compelled to, "You shall not share equally with all others"? It is a problem which has given me a good deal of concern. I myself would agree to eliminate all the large corporation farms in the country, but this question is one which I did not know how to approach.

Mr. BORAH. It is a difficult proposition, and I have no desire to urge the elimination of the large producer entirely; but it occurred to me, in view of our past experience, that there might be a limit beyond which we should not go in making parity payments. We have now voted that this shall



be permanent legislation, and it would probably be very difficult for this Government to maintain an organization for such a purpose as is contemplated if it is to pay out these vast sums to large corporations, insurance companies, and the like. We will not be able to do it. The money will not be in hand. It occurs to me there is a limit beyond which we should not go in making payments to the large producer.

I have drawn an amendment designed to cover my idea, but I am frank to say that it is very difficult to make it fit in with all the different provisions of the bill.

Mr. HATCH. Mr. President, if I may add a further word, I should be very glad if the Senator from Idaho or the Senator from Michigan would present an amendment which would reach this question in a fair and equitable manner.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the senior Senator from Alabama. [Mr. BANKHEAD].

The amendment was agreed to.

The Clerk will state the next amendment offered by the Senator from Alabama.

The CHIEF CLERK. On page 10, line 13, after the word "cooperator", it is proposed to insert the words—

And in the case of cotton the acreage of cotton does not exceed the acreage apportioned to the farm pursuant to the provisions of title III of this act, or in the absence of such apportionment does not exceed the acreage apportioned to the farm under the Soil Conservation and Domestic Allotment Act.

Mr. AUSTIN. Mr. President, on what page does that amendment come?

The PRESIDING OFFICER. On page 10, line 13, after the word "cooperator."

Mr. BANKHEAD. It includes the amendment of the committee.

Mr. GILLETTE. Mr. President, I wish to address myself to this amendment. I oppose the adoption of the amendment. In the case of corn and wheat an adjustment contract is offered to an eligible farmer. If he cooperates, or if he is eligible to cooperate, and signs, he receives, in lieu of the soil-conservation payments under the Soil Conservation Act, a parity payment. If he does not sign and is eligible, he does not receive it.

Under the committee amendment now pending, a cotton farmer who does not have an adjustment contract may have quotas imposed under certain conditions. The first part of the proposed amendment provides, in the case of cotton, that if the acreage of cotton does not exceed that apportioned under title III, the farmer may receive parity payments, and that is all right, as I view it. If the quota is determined and assigned, and he does not exceed it, it is perfectly right and proper, as I view it, that he should receive parity payments. But the proposed amendment goes further and provides that in the absence of such a quota, if a farmer does not exceed the acreage under the Soil Conservation Act which now exists, notwithstanding that, he will receive parity payments, not soil-conservation payments, but parity payments. That certainly seems unfair to the other farmers, and discriminating.

Mr. BANKHEAD. Why should one of those commodities be excluded?

Mr. GILLETTE. As an inducement to the wheat and corn farmers, the eligible farmers, to enter into an adjustment contract tendered to them. We say to them under the provisions of the bill, "When you are eligible, if you come in you will receive parity payments."

Mr. BANKHEAD. If the Senator will permit me, the very language says the farmer must cooperate with the program. Whether he signs a contract or does not sign a contract, he must cooperate with the program.

Mr. GILLETTE. As I understand the Senator's amendment, we say to the corn and wheat farmer, "If you become a cooperator, you may receive parity payments, which constitute an inducement for you to cooperate." In the Senator's amendment he says to the cotton farmer who does not have an adjustment contract offered to him, but who may have his quota acreage apportioned, "If you do not exceed

your quota acreage you may receive parity payments in lieu of soil-conservation payments." That is all right. That is fair. But the Senator goes further and says, "Even if there is no apportionment of a quota under the Soil Conservation Act as it now exists, if you do not exceed your soil-depletion acreage you will not receive soil-conservation payments but you will receive parity payments, a guaranty of parity"; and he places every cotton producer in a position to receive parity payments, whether there is compliance with an apportionment of acreage or not. The Senator gives corn and wheat farmers adjustment contracts and says, "You will receive that parity-payment guaranty as an inducement for you to come in"; but he opens the door wide for the cotton producer and says, "We give you parity payments under the Soil Conservation Act providing you do not increase your soil-depleting acreage."

Mr. BANKHEAD. The difficulty with the Senator's reasoning is that apparently he considers that there cannot be cooperation unless there is a signed contract. The only difference in the case of corn and wheat farmers is that their program is based upon contracts. In the case of cotton it is not based upon contracts.

I gave, among other reasons, the apprehension which some of us felt that the contract was not the best legal approach to this problem. At any rate, the cooperation of the cotton farmers is not governed by signing the contract. Wheat and corn participate in this money that is set aside for these three commodities with which to make the parity payments, \$275,000,000. Under the formula contained in the bill they are all supposed to participate in this fund upon that basis of division. In the case of corn and wheat the producers are eligible to participation when they have signed a contract, because in the case of corn and wheat that is the method of showing cooperation. That is the test of a cooperator. If no acreage plan exists, then the cotton farmer must comply with the acreage diversion, or whatever other program of soil-conservation there is; and when he complies he is a cooperator just as much as the wheat and corn farmers who sign the contract are cooperators. He has voluntarily accepted, complying with the program, without the formality of a written contract.

That is the only difference, under this amendment, between the status of the cotton producer on the one side and the wheat and corn producer on the other.

Mr. GILLETTE. Mr. President, will the Senator yield to me for two questions?

Mr. BANKHEAD. I yield.

Mr. GILLETTE. In the wheat and corn program, who may receive parity payments?

Mr. BANKHEAD. The cooperator.

Mr. GILLETTE. And no one else?

Mr. BANKHEAD. No; and neither can anyone else in cotton under this amendment.

Mr. GILLETTE. Under the Senator's amendment, if there is no apportionment of quotas, what cotton farmers may receive parity payments?

Mr. BANKHEAD. The cooperators in the soil-conservation program.

Mr. GILLETTE. Every cooperator in the soil-conservation program?

Mr. BANKHEAD. Yes.

Mr. GILLETTE. In the case of wheat and corn, every cooperator in the soil-conservation program may not receive parity payments.

Mr. BANKHEAD. Oh, yes; he will.

Mr. GILLETTE. The only ones who receive them are those who cooperated in the domestic allotment contract.

Mr. POPE. Mr. President, will the Senator yield to me in order that I may ask the Senator from Iowa a question?

Mr. BANKHEAD. I yield.

Mr. POPE. Suppose, under the provisions relating to corn and wheat, less than 51 percent sign up such a contract; then the program under that part of the law would not go into effect?

Mr. GILLETTE. That is correct.

Mr. POPE. Then, according to the Senator's interpretation, would the corn and wheat farmers be entitled to Soil Conservation Act payments if they met the requirement?

Mr. GILLETTE. If the program did not go into effect; yes.

Mr. POPE. If it did not go into effect?

Mr. GILLETTE. Yes. They would receive soil-conservation payments, but not parity payments.

Mr. POPE. Suppose, in the case of cotton or tobacco or rice, a referendum were held, but the program did not go into effect because two-thirds did not vote for it: Then is it the Senator's understanding that the cotton growers, or the growers of tobacco or rice, would be entitled to Soil Conservation Act payments?

Mr. GILLETTE. Certainly, and that is what I want them to have; but the purport of this amendment is to secure them parity payments regardless of whether the program is in effect or not.

Mr. POPE. That is just the point I wanted to make clear—that so far as soil-conservation payments are concerned, in the event the program fell down the producers would be treated alike; but they would not get parity payments instead of Soil Conservation Act payments in the case of cotton.

Mr. GILLETTE. But if this amendment as drawn is adopted, whether they come in or not, whether there is a program or not, they will receive parity payments if they do not decrease the soil-depleting acreage.

Mr. POPE. Exactly what part of this amendment does the Senator object to?

Mr. GILLETTE. If after the word "act," in line 7 of the amendment, there were a period, and the remainder of it were stricken out, I should have no objection to it.

Mr. POPE. I find that I am in exact agreement with the Senator with respect to this matter, and I have already marked that as a point which I would raise with the Senator from Alabama [Mr. BANKHEAD]. I agree thoroughly with the Senator from Iowa that there exists that much distinction between the two.

Mr. BANKHEAD. So far as wheat and corn are concerned, does the parity money revert to the Treasury?

Mr. POPE. I suppose not.

Mr. BANKHEAD. What is to be done with it?

Mr. POPE. It would be utilized for soil-conservation payments, I suppose.

Mr. BANKHEAD. The Senator ought to know.

Mr. POPE. That would be my interpretation of the law.

Mr. BANKHEAD. I do not want any controversy here with my associates on the committee. I requested the Department of Agriculture to prepare the amendment so that cotton would be put on exactly the same basis as wheat and corn with reference to all the payments provided in the bill. As the Senator knows, I had prepared a program under which cotton would be separated; but the Senator objected to it, and then I put back in the bill the program with reference to cotton.

Mr. President, does the Senator from Idaho want the consideration of the amendment to go over until tomorrow so that we may work out an agreement in the meantime?

Mr. POPE. Let me get a question in the RECORD first. Would the Senator from Alabama object to striking out, in line 7, all following the word "act"? It is a minor point, it seems to me, but that is the only point where the Senator from Iowa and I think there would be a discrimination in favor of cotton.

Mr. BANKHEAD. I would rather let the amendment go over than to take out of it something which ought to be in the measure. The Department thought it ought to be in there.

Mr. President, I suggest that the amendment go over until tomorrow, and in the meantime we can get together and see if we can agree on its proper construction.

Mr. PEPPER. Mr. President—

The PRESIDING OFFICER (Mr. MINTON in the chair). Does the Senator from Alabama yield to the Senator from Florida?

Mr. BANKHEAD. I yield.

Mr. PEPPER. There are just a few questions that I want to ask the Senator so as to give a sort of a synopsis of certain provisions of the bill as it affects cotton, because, as the Senator knows, the northern tier of counties in my State are analogous in their quality and production to some of the counties in the Senator's State.

Roughly speaking, the present production of cotton is about how many bales?

Mr. BANKHEAD. That depends. This year it is 18,000,000 bales. It varies, of course.

Mr. PEPPER. Generally speaking, the domestic consumption is how many bales?

Mr. BANKHEAD. About 7,000,000 bales is a rather high average.

Mr. PEPPER. And we have been selling into the foreign market in recent years an average of how many bales of cotton?

Mr. BANKHEAD. Something like 6,000,000 bales. Our average consumption, both at home and abroad, for the past 10 years has been 13,000,000 bales.

Mr. PEPPER. And we have at the present time, or this year we anticipate, a carry-over of how many bales?

Mr. BANKHEAD. At least 11,000,000; probably 12,000,000 bales.

Mr. PEPPER. Our normal carry-over is how many million bales?

Mr. BANKHEAD. Around 5,000,000. We had an enormous carry-over during the war period when we got parity prices.

Mr. PEPPER. Will the Senator give me the number of acres devoted to cotton production in this country?

Mr. BANKHEAD. That varies. One year we had as high as 44,000,000 acres. The average for the last 10 years has been between 40,000,000 and 41,000,000 acres. The Senator will understand that during that period we have had acreage diversion.

Mr. PEPPER. Since the 40,000,000-acre crop the Soil Conservation Act and the Domestic Allotment Act have come into effect, and there has been a diminution in acreage on that account.

Mr. BANKHEAD. Only by reason of plans submitted to the farmer under the soil-conservation program for the diversion of acreage. Rotation in crops has, of course, had an incidental and natural effect of a reduction in the acreage planted in cotton.

Mr. PEPPER. What annual production is contemplated under this bill?

Mr. BANKHEAD. That will depend upon what year the Senator has reference to. The bill contemplates and lays down a declared policy to provide at all times an ample supply of cotton of suitable grade and quality to fill all the effective demands for American cotton throughout the world, at a price not in excess of the world price of cotton. Of course, with a carry-over of 12,000,000 bales, which is the equivalent of nearly a year's consumption, within a reasonable time that surplus must be reduced or gotten rid of. I regret that the Senator from Florida was not here when I went into that subject very fully last Monday, and I recommend to him that he consult the RECORD and read my explanation.

Right there, there is one point that I want the Senator to get in his mind, and that is the long-recognized rule of supply and demand, which as to cotton has the effect that an increase of 1,000,000 bales decreases the price of cotton on an average 1 cent a pound, and a decrease in production has the reverse effect.

In other words, the size of the carry-over almost mathematically fixes the price of our cotton; so let us take it in this way:

In 1936 we had a carry-over of 6,000,000 bales. We had a production of 12,000,000 bales, or slightly more. That



made 18,000,000 bales. With a consumption of 13,000,000 bales, we got 12½ cents a pound for it.

This year we started in with 6,000,000 bales and produced 18,000,000 bales, making 24,000,000 bales supply, with a consumption of 13,000,000 bales. That leaves 11,000,000 bales excess, 5,000,000 bales more than we had last year; and at the same time, and as a result, the price, which was 12½ cents last year, promptly went down to 7½ cents. In other words, the 5,000,000-bale increase in the supply took 5 cents a pound from the price of cotton.

Mr. PEPPER. I want the Senator to know that I am not as remiss as he might surmise in acquainting myself with his information and point of view; but I am coming to the point, if the Senator will indulge me for a moment more, of what acreage is contemplated under the bill for the coming year.

Mr. BANKHEAD. That is up to the Secretary. It is his duty to make a very substantial reduction if we are ever going to get the price of cotton back anywhere near parity.

Mr. PEPPER. Would the Senator say that the reduction would be down to about 25,000,000 acres?

Mr. BANKHEAD. I think that is about where it ought to be.

Mr. PEPPER. That will be a drop down to about 25,000,000 acres from about 40,000,000 acres?

Mr. BANKHEAD. No; we had 33,000,000 acres in cultivation last year.

Mr. PEPPER. What about the second year?

Mr. BANKHEAD. Let me submit this inquiry: If the size of the carry-over is taking a large part of the price out of the pockets of the farmer, and will continue to do it until we reduce the carry-over, does not the Senator think it is a businesslike thing and a proper thing, in the interest of the farmer, to go about getting rid of that surplus and bringing it down?

Mr. PEPPER. I am very much interested in that point; but will the Senator allow me to wait for a moment or two without answering the question? What is the contemplated acreage, then, the second year? If it is to be about 25,000,000 acres the coming year, what would be the acreage the next year?

Mr. BANKHEAD. It would be larger; I do not know how much larger; but as the surplus is pulled down, if it is, it is intended to increase the acreage until we get back to the normal peak.

Mr. PEPPER. The bill does not contemplate anything like a uniform acreage?

Mr. BANKHEAD. Oh, no; it is flexible, depending upon the condition of the carry-over and the size of it. There is no limitation upon the acreage. If we got rid of the carry-over, and if the needs of the industry required it, under this bill all the land in the South could be planted to cotton.

Mr. PEPPER. The thing in which I am very much interested, as it affects this commodity and some others, is the question of doing something which amounts in substance to giving a certificate of convenience and necessity to a given number of individuals to grow, on American soil, a given commodity. I am interested in how this measure is going to be sufficiently flexible to let the producers and those who want to grow more cotton, as an illustrative commodity, go into that business.

Mr. BANKHEAD. How do persons go into the fruit business?

Mr. PEPPER. They may go into the fruit business of their own volition under the present law, and they may suffer the penalties of overproduction in that business.

Mr. BANKHEAD. And they do suffer them.

Mr. PEPPER. They do suffer them; but there is another side to the question. To be measured along with the benefits is the question of putting a strait jacket upon a given number of individuals, and vesting them, as it were, with the right to continue the exclusive privilege of producing a given commodity. I wish to know what provision the Senator

has made in the bill for taking care of new producers who desire to go into the growing of cotton.

Mr. BANKHEAD. We have a specific provision, which was in the former bill, of 3-percent increase annually for new producers, which has been estimated as being sufficient reasonably to cover the requirements of new producers. That will make 100-percent increase of producers, as the Senator sees, in 33 years—3 percent set aside in addition to the 25,000,000 acres.

I am sorry, but I have an engagement outside the Chamber, and I have just been notified that the persons whom I am to see are waiting for me; so temporarily, I shall have to suspend.

Mr. PEPPER. I thank the Senator very much.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama that the amendment be passed over? The Chair hears none.

The clerk will state the next amendment passed over.

The CHIEF CLERK. The next amendment passed over is, on page 11, after line 17, to insert the following:

(c) Notwithstanding the foregoing provisions of this section, parity payments for cotton, wheat, or corn with respect to the marketing year ending in 1938 shall be computed at the rates heretofore announced by the Secretary under the 1938 agricultural conservation program in connection with farm goals for cotton, wheat, and corn, respectively, in case such rates are greater than the rates hereinbefore in this section provided.

At this point the Senator from Louisiana [Mr. OVERTON] has a substitute which reads as follows:

(c) Notwithstanding any of the provisions of this act, parity payments for cotton, wheat, and corn in any marketing year shall be computed on the basis of the payments available under the Soil Conservation and Domestic Allotment Act, as amended, in case such payments are greater than the payments available under this act.

Mr. OVERTON. Mr. President, the substitute amendment explains itself. The parity payments are to be paid to the farmer in lieu of conservation payments, if the bill remains unamended.

As the bill now reads, in the event that there were no parity payments, no conservation payments would be made to the farmer; or, in the event that the parity payments were less than the conservation payments, the farmer would have to accept the smaller amount.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. OVERTON. I shall be glad to yield.

Mr. McNARY. Will the Senator explain by an illustration how his amendment differs from the committee amendment?

Mr. OVERTON. I think it can be better explained by a mere statement of it.

Mr. McNARY. Very well.

Mr. OVERTON. As the bill now reads, parity payments are to be made in lieu of conservation payments. Let us suppose that the price of wheat or of corn or of cotton reaches parity: Then the wheat, corn, or cotton producer will receive no parity payments, and he will not receive any conservation payments, although he may comply with all of the rules and regulations of the Secretary of Agriculture under the Soil Conservation Act.

I think that is an injustice. I think the farmer who complies with the rules and regulations under the Soil Conservation Acts should receive soil-conservation payments, and if the parity payments are less than the soil-conservation payments he ought to receive a sum equivalent to the soil-conservation payments.

That is the sole purpose of the substitute amendment. Its purpose is to declare, in effect, that in case the parity payments exceed the soil-conservation payments, the farmer will receive no soil-conservation payments; but if the parity payments are less, or if there are no parity payments at all, we ought not to chisel the farmer out of the soil-conservation payments.

Mr. McGILL. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.



Mr. MCGILL. If the amendment of the Senator from Louisiana should be adopted, it would make it necessary in carrying forward the program to adjust acreage, and so forth, that two contracts each year be submitted, for instance, to wheat and corn farmers—a contract to adjust acreage, which would entitle the farmer to the reserve loans and parity payments as provided in the act; also, a contract covering soil conservation—and then it would be necessary to pay the farmer whichever might profit him the most. Is not that the substance of what the Senator is attempting to do, and would it not require two programs with reference to those commodities?

Mr. OVERTON. Let me ask the Senator from Kansas a question: Will not the wheat farmer and the corn farmer and the cotton farmer, under the provisions of this bill, before he can obtain parity payments, have to comply with the rules and regulations of the Secretary under the Soil Conservation Act?

Mr. MCGILL. That is true; but he would receive the parity payments, and he would have a definite contract and would know what his rights were.

Mr. OVERTON. Now he has to comply with the rules and regulations of the Soil Conservation Act in order to get any parity payments. If he does do that, and then gets no parity payments at all, he should be entitled to soil-conservation payments; and that is the sole purpose of my amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to his colleague?

Mr. OVERTON. I yield.

Mr. ELLENDER. The purpose of my colleague's amendment, as I understand, is to make the payments permanent; that is, to make them each year. The committee amendment as it is now written applies to 1938 only, and the purpose of my colleague's amendment is to make the payments from year to year. Am I right in that?

Mr. OVERTON. My colleague is correct in that. The committee amendment makes the principle I am now advocating apply to the 1938 program; and, as my colleague states, my purpose is to make it apply to each marketing year.

I think the amendment is fair and just.

Mr. AUSTIN. Mr. President, will the Senator yield for a question?

Mr. OVERTON. I yield.

Mr. AUSTIN. If I have correctly understood the matter, the Senator holds the same views that I have already expressed about the special meaning of the words "in lieu of." In order that this may be a matter of record which may be useful some day in the administration of this bill, I ask him if his opinion of the use of those words in the bill agrees with the holdings I have before me? One of them implies the existence of a thing replaced:

A note given "in lieu of" an insurance premium was one given instead of, in the place of, or in substitution of, the premium.

Citing a case.

I ask unanimous consent to insert in the RECORD the citations that are marked here. There are several of them, one of them dealing with that meaning, as "in the place of"; another as "in total substitution of," and so forth.

The PRESIDING OFFICER. Without objection, the matter referred to by the Senator from Vermont will be printed in the RECORD.

The matter referred to is as follows:

A note given "in lieu of" an insurance premium was one given instead of, in place of, or in substitution of, the premium (*Southland Life Ins. Co. v. Hopkins* (Tex. Civ. App.), 219 S. W. 254, 263).

"In lieu" means in place of the thing modified (*S. E. Hendricks Co. v. Thomas Pub. Co.* (C. C. A. N. Y.), 242 F. 37, 40).

"In lieu of," as used in St. 1923, meaning in place of, or instead of (*Seagale v. Pagni* (Nev.), 244 P. 1010).

Plea that broker agreed to accept obligation of another to pay commission in lieu of and instead of defendants held impliedly to admit that there originally was an obligation; "in lieu of and instead of" meaning in place of, or in substitution for, and implying the existence of something replaced (*Lamb v. Milliken*, 243 P. 624, 625, 78 Colo. 564).

Mr. AUSTIN. Does the Senator from Louisiana treat the necessity of his amendment as based on that understanding of the words "in lieu of" where they appear?

Mr. OVERTON. That is my interpretation of the words "in lieu of." In order to correct any injustice which might be perpetrated on the farmer who does comply with the Soil Conservation Act, I am simply asking in this amendment that the farmer be, in any event, awarded the soil-conservation payments to which he would be entitled.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. OVERTON. I yield.

Mr. BARKLEY. I should like to understand a little better than I do just what the effect of the Senator's amendment would be. Is it his interpretation that if his amendment should be adopted the growers of cotton, for instance, or any other product, would be entitled to both parity payments and soil-conservation payments?

Mr. OVERTON. No; I will say to the Senator from Kentucky that that is not at all the intention. If he will read the amendment—

Mr. BARKLEY. I have not the amendment before me, and it is hard to keep it in mind.

Mr. OVERTON. The amendment I propose provides that—

(c) Notwithstanding any of the provisions of this act, parity payments for cotton, wheat, and corn in any marketing year shall be computed on the basis of the payments available under the Soil Conservation and Domestic Allotment Act, as amended, in case such payments are greater than the payments available under this act.

So that the farmer will not get both the parity payments and the soil-conservation payments, but he will get the soil-conservation payments if the soil-conservation payments are greater than the parity payments.

Mr. BARKLEY. Would the Senator object to letting this amendment go over for a while? I should like to study it a little further and see if I can understand it a little better.

Mr. OVERTON. I shall be very glad indeed to accommodate the Senator from Kentucky. The amendment went over yesterday.

Mr. BARKLEY. Going over one more day will not hurt it.

Mr. OVERTON. I will state to the Senator that the sole purpose of suggesting the amendment is this: If the soil-conservation payments outweigh the parity payments, then the farmer will get his soil-conservation payments.

Mr. BARKLEY. What would be the effect of the adoption of the amendment which is pending, offered by the Senator from Utah [Mr. KING], to make \$500,000,000, the amount now available under the soil-conservation appropriation, a maximum for the administration of this act and the Soil Conservation Act too? I do not know whether or not that amendment will be adopted; but, if it should be adopted, what would be the effect upon the Senator's amendment, if there had to be a limitation of that sort on the gross amount available?

Mr. OVERTON. The cotton farmer in that event would get about 2 cents a pound as a parity payment. The cotton farmer today does not get as much as 2 cents a pound as a conservation payment. Just how much he gets I do not know; but I think it is less than 2 cents a pound, or it is about equivalent to 2 cents a pound.

Mr. ELLENDER. Mr. President, will my colleague yield?

Mr. OVERTON. Yes.

Mr. ELLENDER. Suppose the price of, let us say wheat is 75 cents a bushel, and 5 cents more will bring it to parity, and a soil-conservation payment of 7 cents is given to the wheat grower. As I understand, under the Senator's amendment the wheat farmer would be entitled to receive 7 cents.

Mr. OVERTON. Yes; under the soil-conservation payment, and he would get no parity payments.

Mr. ELLENDER. Still he would be getting a parity payment; perhaps not from the Government, but he would get a parity payment because of the fact that the price would be such as to make it equal to a parity payment under the provisions of the bill.



Mr. OVERTON. That is very true. I will say to the junior Senator from Louisiana that under the Soil Conservation Act the Government, as it were, puts itself into co-partnership with the farmer and says to the farmer: "We have a great national need. We wish the fertility of the soil of the United States restored, and, when restored, we want it preserved. We want you to pursue certain soil-building and soil-conserving practices, and, if you do so, we are going to reward you." I say that under no circumstances should the farmer be rewarded less than soil-conservation payments when he has complied with the Soil Conservation Act. That is all the amendment is intended to accomplish. Now, if the Senator from Kentucky [Mr. BARKLEY] wishes—

Mr. BARKLEY. Mr. President, I withdraw my request that the amendment go over.

Mr. SCHWELLENBACH. Mr. President, I would appreciate it if the Senator would let the amendment go over for an hour or two.

Mr. OVERTON. Very well. I may not be here. I may be called away. May it go over until I return?

Mr. SCHWELLENBACH. Oh, certainly.

Mr. OVERTON. I have no objection to it going over, then.

The PRESIDING OFFICER. Without objection, the amendment will be passed over.

Mr. BORAH. Mr. President, before the amendment goes over and lest something might occur that it should be called up in my absence, I desire to say a word. As I understand the Senator's amendment, it has for its purpose fundamentally to see that no injustice shall be done to the soil conservationists of the country. If a man is prepared or has prepared himself for compensation under the Soil Conservation Act, then he should not be denied that compensation.

I look upon the Soil Conservation Act as fundamentally sound. Aside from the welfare of any particular farmer, we as a nation and as a people are interested in conserving the soil. I want to vote for anything that will help the farmer, but I do not want to vote for anything which disparages or discourages in any respect the soil-conservation movement. It is certainly one of the most vital matters of the country. When we consider the amount of valuable soil that is washed off into the ocean year after year, and compare that to what has happened in other countries, we must know what the ultimate result will be in this country. We ought not to trade it in or trade it out upon this bill at all. The soil conservationist should be protected and taken care of under all circumstances. If there is any problem, national in its scope and importance, it is the problem of conserving the Nation's soil. And the farmer who cooperates or who is willing to cooperate in that respect should not be bartered and traded around in order to force him into contracts or punish him if he does not desire to surrender his independence.

The PRESIDING OFFICER. The next amendment will be stated.

The next amendment of the Committee on Agriculture and Forestry was, on page 13, line 21, before the word "for", to strike out "and yields" and insert "for wheat and corn", so as to make the subhead read:

Base acreages for wheat and corn.

Mr. COPELAND. Mr. President, I desire to offer an amendment at this point in order that I may have some parliamentary standing, and then I wish to explain four other amendments which have to do with the same matter.

On page 14, line 2, I move that the committee amendment be changed to read "wheat or corn for market." If that may be stated, then we will have the amendment pending.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 14, line 2, where the committee proposes to insert the words "wheat or corn", the Senator from New York proposes to add after the word "corn" the words "for market", so the sentence would read:

There shall be established for each farm of any farmer (whether or not a cooperator) producing wheat or corn for market, a soil-

depleting base acreage and a normal yield per acre for each such commodity.

Mr. COPELAND. Mr. President, I have discussed at great length the matter of having certain amendments made to the bill in order to protect the dairy farmer and, together with the Senator from Vermont [Mr. AUSTIN], I have presented four amendments. Perhaps if I submit these to the Senate now we may then determine whether it is proper for me to ask unanimous consent that all may be considered at the same time.

The first one of the amendments is the one which has just been read. The next one is on page 19, lines 6 and 7, where I propose to strike out the words "soil maintenance, soil building, and dairy" and insert in lieu thereof "soil maintenance and soil building." It is apparent why that should be done. It is to prevent the use of acreage, taken out of production by the other provisions of the bill, being used for dairy practices and the building up of additional dairying facilities.

The next amendment is, on page 30, line 10, after the word "corn", to insert the words "for market."

Then we come to page 72, line 1, where I propose to strike out the words "poultry or" and after the word "livestock" to insert the following: "(except dairy cattle)".

Then on page 72, in lines 9 and 10, I propose to strike out the words "poultry or."

On page 72, line 11, after the word "household", I propose to insert a semicolon and the following: "or if fed to poultry or dairy cattle on his farm."

Mr. President, I am sure the purpose of the amendments is clear. It is that the dairy farmer, who through a generation perhaps has been raising a certain amount of corn on his farm and putting it into a silo for his dairy cattle, the farmer producing milk for the market, shall not be required to make a record of his practices and have it charged against him.

I can readily understand that those who believe in the bill think the one-crop farmer should be protected, but it is very necessary for us who live in the cities to see to it that there is an unfailing supply of milk at a price within the reach of the consumers, most of them very poor people.

The same argument applies to poultry. A great many farmers are raising poultry for the production of eggs that may be marketed.

The amendments are presented with a view to consideration by the Senate. They have been considered by the committee. I know the amendments have been presented to those in the Department of Agriculture who formulated the bill. I think if there is a disposition to make this exemption for dairy and poultry farmers, these particular amendments would accomplish the purpose.

May I ask the Senator from Idaho if he has given consideration to the amendments?

Mr. POPE. Mr. President, with reference to the first amendment, on page 14, line 2, after the word "corn", to insert the word "for market", there could be no possible objection, because the same provision is contained at the bottom of page 15. That is exactly what is meant.

Mr. COPELAND. Then what about the other amendments?

Mr. POPE. The same thing could be said of the amendment proposed on page 30, line 10, to insert the words "for market" after the word "corn."

With reference to page 19, lines 6 and 7, where the Senator proposes to strike out "soil maintenance, soil building, and dairy" and insert in lieu thereof "soil maintenance and soil building," as I pointed out to the Senator the first day I spoke on the bill, that provision was inserted for the purpose of protecting the dairy interests. The dairy farmers who were interested in the preparation of the bill made that suggestion themselves, because without such a provision the soil-depleted acreage could be used to increase dairy herds and perhaps do other things that would be injurious to the dairy industry. It was thought advisable to give the Secretary power to limit that use.

Therefore I call the attention of the Senator again that it was at the request of the dairy interests themselves, so that

there might be some sort of restriction placed upon the use of soil-depleted acres for increasing dairy herds and therefore increasing the competition with the dairy farmer, that such a provision was inserted in the bill.

If the Senator desires to remove that restriction, very well. I think we should understand it was intended as a restriction or limitation upon the increase of dairy herds.

Mr. DUFFY. Mr. President, will the Senator yield?

Mr. COPELAND. Certainly.

Mr. DUFFY. I may say to the Senator from Idaho that, not knowing that the Senator from New York had prepared these amendments, I had prepared similar amendments. It seemed to me in reading the section that it was offering an inducement to farmers who take acreage out of the production of wheat and corn to use such land for dairy practices.

Mr. POPE. The intention was that the Secretary should restrict dairying activities.

Mr. DUFFY. Was it the idea of the committee that if they gave the Secretary this power he could provide in the contracts the restricted use of diverted acreage so that it could not be used for the production of dairy products?

Mr. POPE. That is true. If the language is not clear, and if Senators feel the idea back of putting dairy practices in this provision is not fully covered, then perhaps some restrictive words should be added to accomplish that purpose.

Mr. COPELAND. I ask the Senator this question in order to make the record clear: It is not intended that the acreage diverted from the usual crops shall be used for grazing purposes for the development of new competition with the dairy industry. Is that correct?

Mr. POPE. That is the reason for putting that provision in the bill. I would not want to say to the Senator that, if there should appear to be a great shortage of milk and dairy products, the Secretary might not have the power to take that into consideration, but the purpose was to bring about that limitation or restriction.

Mr. COPELAND. I ask the Senator to turn to page 72 and consider the amendment proposed there, to strike out the words "poultry or" and after the word "livestock" to insert the words "(except dairy cattle)." Would that be acceptable to the committee?

Mr. POPE. In response to the question of the Senator, I will say that, so far as poultry is concerned, that was an amendment, as the Senator will observe, inserted by the Committee on Agriculture and Forestry. I myself think, however, that the use of these commodities for poultry is a minor matter. I can see a good deal of difficulty in the administration of the act. Therefore I, for one, would not object to having poultry stricken out. But I would object at this point to excepting dairying from the provision.

Mr. COPELAND. Why does the Senator say that?

Mr. POPE. Because the dairy interest is so extensive, and would consume such a large amount of corn and other commodities, it would be very similar to the feeding of corn to hogs. About 80 percent of the corn raised is fed to hogs and marketed in the form of pork. It is very obvious, it seems to me, that should be taken into consideration. The mere fact that very little corn is marketed, but that vast quantities of hogs are marketed, should be taken into consideration, and would warrant the provision here. The same thing would seem to be true of dairying and livestock. But with reference to poultry, as I said a few moments ago, it seems to me that might very well be eliminated. Perhaps other members of the committee, who were responsible for inserting this amendment, would have something to say about it.

Mr. COPELAND. What has the Senator to say about our suggestion that at the end of line 11 on page 72 there should be added the language, "or if fed to poultry or dairy cattle on his farm"? Does he feel the same about that as about the provision in line 1?

Mr. POPE. With reference to poultry, I make the same statement, that I would be willing to eliminate poultry. As to dairy herds and cattle, I think we should give con-

sideration to that before it is stricken from the bill. Corn and other commodities are fed to livestock, which includes hogs, as well as cattle, and we should give a great deal of consideration to the provision before it is stricken from the bill. As the Senator knows, about 80 percent of corn is fed to hogs.

Mr. COPELAND. I know; but that is a far different problem from the one I am discussing. If all these amendments were adopted, it would mean that the farmer who raises corn on his own farm to feed cattle for milk production would not suffer the penalties of the bill. I would say it would be quite different from the matter of feeding hogs. I suppose that, as a matter of fact, very little corn ever leaves the county where it is produced, but it goes into hogs and is marketed as pork. I am not proposing at all that on livestock generally there shall be any restriction, but as to dairy cattle which the farmer has for the one purpose of producing milk for market, and for which he is raising feed, it would mean, if he were brought under the penalties of the bill, that of course he would have to go into the market to buy the surplus beyond that which he would be permitted to raise, and as sure as he did that, it would increase the cost of milk, which is consumed largely by the poor. I think that at the present price pork is consumed only by the rich, but milk will still be consumed by the poor, and used in the homes of the poor, in order that the babies may survive. I make a plea that the committee give this due consideration.

Mr. McNARY. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. McNARY. I am not conversant with the amendment proposed by the Senator. Has it been printed?

Mr. COPELAND. It has been printed.

Mr. McNARY. While I think our aims are identical, a few days ago, at the request of the National Milk Producers' Association, I proposed an amendment covering the dairy situation, which goes to the extent of providing that when the soil preserving and building crops, which normally are used in the production of the major commodities, are planted, namely, legumes, we will say clover, alfalfa, or peas, those products shall not be sold in the market, but they may be fed on the place. That would prevent anyone from using diverted lands for the purpose of expanding the dairy industry. "Marketing" I have defined as selling in the open market. It would prevent the use of the croplands to enlarge the base of the present dairy industry.

Probably the amendment of the Senator covers my amendment. I have this in mind. Suppose one had 160 acres in wheat, and the Secretary of Agriculture told him he could plant 120 acres in wheat. He would have 40 acres idle, which he could plant to legumes, soil-building crops. It is with that 40 acres that I deal in my amendment. I offer this illustration as probably making clearer the language I have used. I wonder whether the Senator's amendment covers that very phase of the use to which one may put the acreage used for soil-building purposes?

Mr. COPELAND. Through his amendment the Senator seeks to have the material fed only to the stock of the farmer who has a restriction on his acreage? He is not to sell it?

Mr. McNARY. It may be used for the purpose of building the soil. In other words, if the Senator is a practical farmer—

Mr. COPELAND. As I am.

The PRESIDING OFFICER. The time of the Senator from New York on the amendment has expired.

Mr. COPELAND. I will take my time on the bill, so that the debate may continue.

Mr. McNARY. If the Senator plants his clovers or his peas, or any nitrogenous plant which brings nitrogen out of the air, he gets the best results by plowing the crop under, rather than feeding it, because he gets not only the nitrogenous element but the humus elements, which are found above the soil in the stem, in the flower, in the blossom. My amendment requires that such crops be used



for the purpose of enriching the soil and not be used to expand the dairy industry. In other words, the Senator is enough of a horticulturist or farmer to know the proper practice to be followed to enrich the soil. If the farmer is to get the great value out of the planting of these crops, the crops should be returned to the soil. That is soil conserving.

Mr. COPELAND. I agree with that.

Mr. McNARY. But to plant them and sell them or use them to run the dairy farm is not doing that for which benefit payments are made. That is the point. I say the 40 acres which I plant to these legumes must be plowed under in order to get the full utilization of the values involved, and cannot be used to expand the dairy industry. Is that clear to the Senator?

Mr. COPELAND. I see exactly what the Senator has in mind, and we had the same thing in mind with reference to our proposal on line 6, page 19. We propose to omit the words "and dairy practices," and between the words "soil-maintenance" and "soil-building" to insert the word "and", so that it would read:

Such contracts shall further provide that such cooperator shall engage in such soil-maintenance and soil-building with respect to his soil-depleting base acreage—

And so forth. He would, therefore, have to do exactly what the Senator proposes. Through the omission of the words "and dairy practices," he would not be permitted to put cattle on the soil to eat the forage.

Mr. McNARY. I am not so certain of that. I think I suggested that when we first considered it. I think it requires some amplification in the way of additional language, but I am in accord with the Senator's general purpose.

Mr. POPE. Mr. President, will the Senator from New York yield to me?

Mr. COPELAND. I yield.

Mr. POPE. With reference to the arguments which have been made regarding the dairy provision, one is that the farmer should be able to feed to his dairy cattle whatever he may raise, without such commodities being defined as for market. On the other hand the suggestion made by the Senator from Oregon was that that would tend to increase the dairy herds, because there would be additional surplus commodities fed to them. So I had prepared an amendment to deal with this matter. It was rather carefully prepared. I had the Department draft it and I shall read it. There are men in the Department who are familiar with that sort of thing. The proposed amendment would read:

Whenever the Secretary has reason to believe that the income of producers of livestock or livestock products in any area from such sources is being adversely affected by increases in the acreage of conserving crops in that or any other area because of programs carried out under this act, or under section 7 to 17 of the Soil Conservation and Domestic Allotment Act, he shall make an investigation with respect to the existence of these facts. If upon investigation the Secretary finds that the income of producers of livestock and livestock products in any area from such sources is being so adversely affected, he shall as soon as practicable make such provisions as he determines may be required with respect to the growing of conserving crops which he finds necessary to protect the interests of producers of livestock or livestock products in the affected area.

I had intended to offer that as section 66, at the end of the bill, rather than as an amendment to any committee amendment in the bill. It has been rather carefully prepared and I intended to offer it, and I believe it will tend to accomplish the purpose which both Senators have.

Mr. DUFFY. Mr. President, will the Senator from New York yield?

Mr. COPELAND. I yield.

Mr. DUFFY. I think I quite agree with the Senator from Oregon in the statement he makes that the mere striking from the bill of the language complained of on page 19 would not be sufficient. From a hasty consideration of the statement just read by the Senator from Idaho in the form of a proposal that will be offered as an amendment I am inclined to think that may cover the situation. The dairy farmer does not object to residents of other parts of the

country going into dairying if they do it under their own power, but they do object to having the Federal Government subsidize competition with them. It is very evident that if the withdrawn acres, 40,000,000 or more, are planted to legumes and various kinds of grasses, unless some definite restriction is made it will be nothing less than a subsidy to other people to go into dairy farming, and that is what the people of my State, at least, are complaining of.

From a hasty consideration I am inclined to think that the amendment the Senator from Idaho is to propose may cover the situation. I do not believe that a mere striking of the language on page 19, lines 6 and 7, will be sufficient.

Mr. COPELAND. The Senator from Wisconsin would hardly be satisfied by stopping there, would he? Does he not desire that the dairy farmer may feed his own cattle on his own farm from products raised on his own farm?

Mr. DUFFY. Yes. I was about to ask the Senator from New York whether he does not believe that a dairy farmer who raises just enough corn on his farm to fill his silo, who does not have anything to sell, does not have any corn to go into the market, under the national quota provision would suddenly find himself with his silo only three-quarters full because he would be restricted in the acreage he could use in raising corn?

Mr. COPELAND. I do.

Mr. DUFFY. I think certainly that situation should be remedied, because such corn is not used for any other purpose than feeding dairy cattle. In my part of the country farmers do not figure how many bushels of corn shall be raised to an acre. They just figure how many acres are necessary to raise corn to fill the silo.

Mr. POPE. Mr. President, will the Senator yield to me on that point?

Mr. COPELAND. I yield.

Mr. POPE. I may say to the Senator from Wisconsin that that difficulty has been realized by those who have been working on the bill. There is now in course of preparation an amendment dealing with the matter of ensilage. I think it will be ready by tomorrow morning, and I shall be glad to submit a copy of it to those who are interested, because I realize, as the Senator from Wisconsin has pointed out, that there should be a variation in the program to take care of that sort of situation.

Mr. COPELAND. I think that will be a very delightful arrangement if it can be brought about.

Mr. POPE. That, together with the amendment which I have not offered because I did not think it was appropriate to do so yet, I think will cover the point raised by the Senator.

Mr. COPELAND. As I understand, the committee is agreeable to having inserted after the word "corn" on page 14, line 2, the words "for market."

Mr. POPE. Yes.

Mr. COPELAND. And likewise, on page 30, line 10, the committee is agreeable to having the same words inserted.

Mr. POPE. Yes; we have no objection to that.

Mr. COPELAND. Then I ask, Mr. President, that these amendments, which are identical—one on page 14, line 2, and the other on page 30, line 10—may be made.

The PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from New York to the committee amendments at the places indicated.

Mr. O'MAHONEY. Mr. President, before the amendments are put to a vote, I desire to inquire of the Senator from New York whether he has offered an amendment in line 7, on page 19, striking out the words "dairy practices."

Mr. COPELAND. I may say to the Senator, who was detained for a while from the floor on official business, that the Senator from Oregon [Mr. McNARY] has an amendment which perhaps covers that point.

Mr. O'MAHONEY. Yes; I am familiar with that amendment.

Mr. COPELAND. Then the Senator from Idaho [Mr. POPE] has another amendment; and, as I understand, the matter will go over until tomorrow, so that those of us who are interested will have an opportunity for consultation.

Mr. O'MAHONEY. That is what I want to make clear. I am familiar with the amendment offered by the Senator from Idaho [Mr. POPE], as well as the amendment offered by the Senator from Oregon [Mr. McNARY]. I was anxious that there should be a complete understanding that when the amendment of the Senator from Idaho is presented, it will be in lieu of the amendment which the Senator from New York has been presenting.

Mr. COPELAND. That is the way I understand the matter.

Mr. AUSTIN. Mr. President, will the Senator yield?

Mr. COPELAND. I yield.

Mr. AUSTIN. I do not understand the matter in quite the same way that my colleague does. I join him in offering the proposed amendments. I think they differ entirely from the amendments proposed by the Senator from Oregon, and that the amendments proposed by the Senator from Oregon and by us will not affect the same field of the bill.

Mr. COPELAND. I may say to the Senator from Vermont that, as I understand, the Senate has now adopted two of our amendments. As regards the rest of them, as I understand the situation, they are to go over in order that we may hear from the Senator from Idaho [Mr. POPE] and the Senator from the great State of Wyoming [Mr. O'MAHONEY], and also to compare our amendments with the amendments which the Senator from Oregon has presented. In other words, we are not closing the gate.

Mr. AUSTIN. Mr. President, in what I have asked I do not mean to indicate any disagreement with the coauthor of the amendments, save in the respect to which I have referred; but before the Senator asks that the matter go over, I should like to make a little statement of my understanding of the amendments.

Mr. COPELAND. Mr. President, I take it—and I ask the Senator from Idaho if I am right—that this whole matter, so far as these remaining amendments and those offered by the Senator from Idaho and the Senator from Oregon are concerned, is in a state of flux at the present moment.

Mr. POPE. Yes; the amendments will go over until tomorrow.

Mr. COPELAND. So I will say to the Senator from Vermont that tomorrow we shall have another chance to do what we can to preserve the dairy and poultry industries.

Mr. AUSTIN. Mr. President, a parliamentary inquiry: Would the Senator from New York be barred from speaking on these amendments tomorrow in view of the suggestion of the Senator from Idaho [Mr. POPE] that we are to receive further information relating to the matter?

The PRESIDING OFFICER. The Chair is of the opinion that the Senator from New York would be barred from speaking further on the amendment; but he still has some time on the bill.

Mr. COPELAND. Then, Mr. President, I think perhaps the suggestion of the Senator from Vermont that I wait until tomorrow is a very good one. I suggest that the matter in question go over until tomorrow.

The PRESIDING OFFICER. Without objection, the amendments referred to will go over until tomorrow.

Mr. BILBO. Mr. President, in this connection I call the attention of the Senate to a somewhat similar amendment offered in the House by Mr. BOILEAU on December 2, which will be found in the CONGRESSIONAL RECORD at page 768. In the discussion of this amendment, which dealt with the use of diverted lands, Mr. BOILEAU inserted in the RECORD a telegram which he received from Mr. Gaston Ferrell, of Columbus, Miss. This telegram from Mr. Ferrell, addressed to the Representative from Wisconsin, reads as follows:

My family owns and operates about 5,000 acres of farm land, cotton being our main crop. Any restrictions by Congress in growing cotton will force us into dairying, and where we now sell milk from 25 cows, it will increase to 150, thereby coming into competition with dairying in your State and section. Hope you can defeat all this crazy farm legislation. Farmers favor crop reductions only for the doles they have been getting.

GASTON FERRELL, Farmer.

That telegram from a constituent of mine is an indictment of every farmer in my State and of every farmer in America who looks with favor upon any control program.

Mr. President, yesterday I received the following telegram:

COLUMBUS, MISS., December 6, 1937.

HON. THEODORE G. BILBO,

United States Senate:

At mass meeting of farmers held in courthouse today it was resolved to send the following telegram to you: "Gaston Ferrell, whose telegram to Representative BOILEAU, of Wisconsin, was read in the House, is a Republican and has opposed all of the administration farm program for the South. He contested Bankhead bill in Federal court. He has lived in this county only a short time and is not representative of our people or their sentiments. He is opposed to all New Deal measures."

W. G. EVANS, Chairman.

The purpose of putting this telegram in the RECORD is to demonstrate to Senators that they are mistaken if they think any reputable citizen of my State is opposed to a control program as a means of bringing relief to the South. I think I can state affirmatively, after making 22 speeches just before coming to this session of Congress, that 95 or 98 percent of the people of Mississippi are in favor of a control program insofar as cotton is concerned. When we say control, we mean compulsory control, because there is no control unless it is compulsory.

I wanted the Senate to have the benefit of the information about this gentleman from my State who attempts to speak for the people of my State.

The PRESIDING OFFICER (Mr. CLARK in the chair). The clerk will state the next amendment.

The next amendment was, on page 14, line 3, after the word "each", to strike out "major agricultural" and insert "such", so as to read:

A soil-depleting base acreage and a normal yield per acre for each such commodity.

The amendment was agreed to.

The next amendment was, on page 14, line 5, after the word "for", to strike out "the several major agricultural" and insert "such", so as to read:

(b) The national soil-depleting base acreage for such commodities shall be as follows:

The amendment was agreed to.

Mr. McNARY. Mr. President, I realize the futility of joining the Secretary of Agriculture in objecting to some of the suggested amendments, but I find it very discriminating to remove the provision regarding soil-depleting base acreage as to cotton and rice and tobacco and leave it as to wheat and corn.

I make the statement only to show again the discrimination, the unfair practice—almost an unfair agricultural practice, to use language contained in the bill—against wheat and corn.

When this bill was taken to the country it was generally understood that the soil-depleting base acreage as specified in the bill was applicable to all commodities. When the bill comes back into the Senate after hurried consideration it removes the limitation as to cotton and tobacco and to rice, but leaves it as to wheat and to corn. I cannot imagine why a discrimination of that kind was practiced.

Mr. President, if there should be a provision as to soil-depleting acreage in the case of wheat and corn—which means a limitation upon the acreage on which wheat can be grown and the acreage on which corn can be grown—the same limitation should be made by a parity of reasoning in the case of these other commodities.

Much has been said about the farmers being satisfied with this measure. If so, it has been changed most generously. I ask that the able Senator from Idaho [Mr. POPE] or the able Senator from Kansas [Mr. MCGILL] give some reason why we have this amendment before us in the manner I have indicated.

Mr. POPE. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Idaho?



Mr. McNARY. I yield.

Mr. POPE. I think this matter has been discussed perhaps two or three times during the consideration of the bill.

As the Senator stated, originally base acreages were set out for wheat, cotton, corn, rice, and tobacco. However, the cotton, rice, and tobacco provisions of the bill were separated from those relating to wheat and corn, in the matter of base acreage; so that since this portion of the bill now refers only to corn and wheat, the base acreages for wheat and corn are set out, and the base acreages of the other commodities are stricken out of this portion of the bill.

I think I should say further, however, that a slightly different method of calculating the national base acreages is contained in the provisions with regard to cotton, rice, and tobacco than the provisions contained here. I have had a chart prepared which shows the different methods of approach. For instance, on page 14 the acreage for wheat is fixed at 67,400,000 acres. When the Secretary determines the number of acres at the average production that would produce a balanced supply of wheat, let us say, a percentage is deducted from the 67,400,000 acres, bringing it down, say, to 55,000,000 acres. That is the necessary acreage to raise the amount of wheat to balance supply with demand. In the other method of approach, adopted in the cotton, tobacco, and rice provisions of the bill, instead of providing a base acreage and then making a percentage reduction from it, the Secretary just arrives at the number of acres at the average yield per acre that would produce the balanced supply.

It can be seen at once that the result would be the same, and I agree with the Senator from Oregon that the same method should be used in arriving at the allotment of acreage as to all the commodities. But the corn and wheat farmers with whom we were in touch thought that because they were familiar with this method of approach they could see certain advantages in the method indicated on page 14 of the bill. Frankly, I cannot see any such advantages, except perhaps the one as to familiarity. But the Senators representing the sections in which cotton, rice, and tobacco are produced could see no such advantages, and therefore there are the two slightly different methods of arriving at the allotment of acres; but they reach the same result, as will quite clearly appear from the chart to which I have referred.

Mr. McNARY. Mr. President, the Senator from Idaho attempts to be fair, and is fair on all occasions; but he does not agree with the Secretary of Agriculture, to say nothing of the Senator from Oregon.

The Secretary, in his letter which I have before me, very explicitly says that there should be one formula, and not two, for these matters. It affects the workability of the measure. Let me see what he says:

The method of acreage allotments for cotton could be revised so as to avoid difficulties and inequalities. As now drawn, the bill would result in the assignment of acreage allotments to many farms where they could not be used economically. It would tend to freeze cotton production in uneconomic areas. It would also tend to force all farmers in a county to adopt the same cropping system. A farmer who produces other cash crops, as tobacco, rice, peanuts, potatoes, wheat, or truck crops, would receive just as large a cotton allotment as a farmer whose only cash crop is cotton. Hence the bill now tends to discriminate against the best cotton areas and against farmers who have to depend entirely or almost entirely on cotton.

Those are the words of the Secretary of Agriculture. The language is more explicit and forceful than I could employ, and that is only a part of his criticism.

Mr. President, I do not desire to repeat the argument I made last week; but we are dealing here with five commodities. We started to deal with them all justly and fairly, upon a basis of equality; but from day to day we find amendments in the bill which treat of them separately and in unfair, discriminating fashion. Why, I ask, should we put a limitation on the soil-depleting base acreage for corn and wheat which is not applicable to other commodities? And I may ask, parenthetically, why should we do that after the farm-

ers of the country had read the bill and thought all products were on a basis of equality?

Mr. McGILL. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Kansas?

Mr. McNARY. I am very happy to yield.

Mr. McGILL. I do not wish to occupy the Senator's time.

Mr. McNARY. That is all right; I am about through. Go ahead.

Mr. McGILL. Mr. President, I recognize what is in the letter addressed by the Secretary to the Senator from Idaho [Mr. POPE] and myself, and I think the committee was fully aware of the attitude of the men in the Department of Agriculture at the time when these committee amendments were voted upon. The facts are the wheat and corn farmers are familiar with this program as outlined on page 14 with reference to wheat and corn; and each wheat farm or corn farm in the country will have its base acreage allotted to it under the system outlined on page 14. Whenever in any year the Secretary announces, for instance, in order to adjust production a certain percentage less acreage should be planted, the farmer will know, without any further word from the Secretary, just exactly how many acres he is allotted to plant. He would not have to wait until the Secretary determines all the figures and details under the so-called allotment plan and then wait to have it explained to him.

I think the plan outlined on page 14 should never have been departed from in the case of any of the commodities; that it is much more plain and understandable by the farmers themselves; and I very much hope the committee amendments will be agreed to.

Mr. BILBO. Mr. President—

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Mississippi?

Mr. McNARY. I yield the floor to the Senator.

Mr. BILBO. The Senator from Oregon has just read part of the letter of the Secretary of Agriculture, in which the Secretary of Agriculture takes exception to the formula of the allotment of cotton acreage to the counties as well as to the farms of the States. For the information of the Senator, I will say that that objection is well taken, and had been discovered before the Secretary wrote his letter, and the Senator from Louisiana has prepared an amendment which would prevent any "freezing" of cotton production to lands that are not economically adapted to growing cotton. That matter will be taken care of by an amendment offered by the Senator from Louisiana in due time.

Mr. McNARY. Mr. President, that is a hopeful sign that some intelligent consideration will be given to the bill. I suggest, then, that we pass over this item for the present.

The PRESIDING OFFICER. What is it that the Senator from Oregon further requests to have passed over?

Mr. McNARY. There is more or less intimacy in the relationship of all these commodities; but if we are going to pass over one, I suggest that we pass over the whole item until it may be cured by the amendment which, as has been suggested, will be offered tomorrow by the Senator from Mississippi.

The PRESIDING OFFICER. The Chair simply wishes to understand the request of the Senator from Oregon. Is the Chair to understand that the Senator from Oregon asks that the amendments contained in lines 8 to 18, inclusive, on page 14, be passed over?

Mr. McNARY. Yes, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon?

Mr. BORAH. Mr. President, do I correctly understand that the Senator from Oregon asks that the amendments on page 14 go over?

The PRESIDING OFFICER. The Chair understands that the Senator from Oregon has requested that the amendments contained in the bill from lines 8 to 18, inclusive, on page 14, be passed over.



Mr. BORAH. Mr. President, before that request is acted upon, and while the amendments are still pending, I desire to call attention to a matter which perhaps is, in the minds of some, irrelevant, and that is the constitutionality of this entire provision.

I have not the slightest idea upon what constitutional principle this entire provision is based. I should like to know upon what theory it is assumed that the Secretary of Agriculture may make an allotment as to how much of the acreage of a State shall be utilized for the production of wheat and corn. I think it is a pretty serious matter, because it does not relate alone to this bill; it is a matter which may involve many future acts of legislation.

What is it proposed to do here? The bill says:

The national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas therein deemed the most effective in the region for the purposes of the administration of this act. Such allotment among the several States shall be on the basis of the acreage devoted to the production of the commodity during the preceding 10 years.

I need not read the remainder of the section; but it goes forward and finally results in allotting so much acreage to each particular farm for the production of wheat or corn.

Then on page 20 the effect of the matter is more prominently brought into view, where the bill says:

(c) If any cooperator during any marketing year produces corn or wheat on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the percentage of his soil-depleting base acreage therefor required pursuant to this section, then for such marketing year such cooperator shall be deemed a noncooperator and shall not be entitled to surplus reserve loans or parity payments with respect to his production of the commodity for such marketing.

What is proposed is that the Secretary of Agriculture shall allot to the State of Idaho the amount of acreage which the State of Idaho may employ in the production of wheat and corn, and that if an excess of acreage is utilized by the farmer, he shall be considered a noncooperator, and shall be deprived of any benefits under the bill.

What I am asking is, upon what constitutional principle is that based? It certainly is not the regulation of interstate commerce, because the commodity is not in existence. It is an attempt to control the farmer as to how many acres he shall sow or plant, not an attempt to control a commodity after produced and placed in the way of commerce. It certainly is not approaching the channels of interstate trade; it is not in existence. We are saying, in advance of the production of the article or the commodity, in advance of any possibility of its being considered a commodity in interstate commerce, that the Secretary of Agriculture may allot to a State how much acreage shall be used for the purpose of production. A large part of the products, if produced, would never be shipped.

Mr. ELLENDER. Mr. President—

The PRESIDING OFFICER. Does the Senator from Idaho yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. ELLENDER. The Senator from Idaho has spoken very favorably about the Soil Conservation Act and has commended it very highly. I ask him if it is his opinion that that act is constitutional?

Mr. BORAH. Mr. President, I am now discussing the pending bill. When a little more time than 15 minutes is allotted, I am perfectly willing to show the very wide constitutional difference between the Soil Conservation Act and this measure. At the present time, however, I am asking where we can find the constitutional authority for this bill.

Mr. ELLENDER. Mr. President, will the Senator further yield?

The PRESIDING OFFICER. Does the Senator from Idaho further yield to the Senator from Louisiana?

Mr. BORAH. I yield.

Mr. ELLENDER. Under the Soil Conservation Act, in order for a farmer to be eligible for payment he must make certain soil-depleting acreage diversions. The class of

soil-building and soil-depleting crops are specified. In the case of the pending bill the Secretary goes just a little further and establishes for each farm a soil-depleting base acreage for wheat or corn, as the case may be, and limits the production of wheat or corn to the base acreage established for each farm. Should the farmer perform he receives payments and loans as a cooperator in the same manner as he would were he to follow certain practices under the Soil Conservation Act.

Mr. BORAH. Mr. President, I do not care to yield more of my 15 minutes to discuss the Soil Conservation Act. Assuming the Senator is correct that the Soil Conservation Act is based upon the same principle, I desire to know upon what principle both of them are based?

Mr. POPE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Idaho yield to his colleague?

Mr. BORAH. I yield.

Mr. POPE. I may say to the Senator that on the first day the bill was discussed, as appears on pages 534 to 538 of the RECORD, authorities were given by me, and later the Senator from Alabama [Mr. BANKHEAD] discussed exactly the same question in reference to the cotton quota and the whole program contemplated by the bill. We attempted to show, particularly as to wheat, cotton, and corn, where the great majority of the commodity is constantly shipped in interstate commerce, that the whole program of reducing and controlling surpluses comes within the provision of the Constitution as it relates to interstate commerce. It is a long argument, and I do not care to repeat it.

Mr. BORAH. Yes; I heard my colleague, and I also am familiar with the authorities to which my colleague referred. For instance, my colleague relies on the Jones-Laughlin case. To my mind, the Jones-Laughlin case does not announce any principle within that which is here invoked. The Jones-Laughlin case dealt with acts which took place after the commodity had been put in the channels of interstate trade. The Jones-Laughlin case did not undertake to deal with the question of production of ore prior to the time the ore was being produced, but with the complete program for shipment in interstate commerce. In that case we had a corporation which was engaged in interstate commerce, in production, in manufacture, in the sale and shipment of a manufactured product, and the Court, dealing with a particular instance at the time which was moving in interstate commerce, said they would treat the matter as a whole. But that is not this case by any means.

The Court said in that case that the relationship must be intimate and substantial before they could take control of anything in the nature of intrastate transactions.

Mr. POPE. Mr. President, will my colleague yield further?

Mr. BORAH. I yield.

Mr. POPE. I invite the Senator's attention to the fact that in the Jones-Laughlin case the Court dealt with individuals who were engaged in local employment so far as the company was concerned. One was a motor inspector and another was engaged in the manufacture of commodities in connection with the steel plants located entirely within the State. There were no orders to ship the particular goods in interstate commerce. They were simply there working, producing materials and piling them up for possible future shipment in interstate commerce. It seems to me quite clear that the majority of the Court, in discussing interstate commerce, considered acts which in themselves would be purely local acts. It seems to me it was clear in that case that those acts were in the stream of interstate commerce. However, it is apparent my colleague does not agree with me.

Mr. BORAH. What were the facts in the Jones-Laughlin case? The raw material was produced. There was no effort to limit production or to say in advance how much ore should be mined. It was put in the channels of interstate trade. It was in process of movement in interstate trade. It was stopped for the purpose of being processed into another condition. The Court held that it was all one transaction, that whatever took place at Aliquippa



was part of the movement in interstate trade; that the commodity did not stop there, that it did not begin there, that it was simply halted for the purpose of being changed from one form of manufacture to another. The Court was careful to say that it in no sense modified the N. R. A. case or the cases with reference to production. But owing to the fact that it was all one transaction, all one movement, all designed to accomplish a certain purpose, and that was to get the manufactured material in such condition that it ultimately could be sold, the Court held that it came within the interstate commerce clause of the Constitution. In my opinion the Court in no sense laid down so broad a rule as to say that prior to the production of coal or prior to the production of iron ore we could say how much the corporation would be permitted to produce.

What is being done here is to say in advance of its production, in advance of it being put in condition where it ever can be put in interstate commerce, how much a steel company like Jones & Laughlin would be permitted to produce in the State of Michigan.

I did not want the bill to go to final vote without recording my view as to this particular constitutional question.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oregon that the amendment go over? The Chair hears none, and the amendment will be passed over. The clerk will state the next amendment.

The CHIEF CLERK. On page 14, line 19, after the word "for", it is proposed to strike out "any major agricultural commodity" and insert "wheat and corn", so the sentence would read:

The national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas therein deemed the most effective in the region for the purposes of the administration of this act.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment of the Committee on Agriculture and Forestry was, on page 15, line 20, after the word "which", to strike out the words "no major agricultural commodity is" and insert "the commodity is not", so the sentence would read:

Each such local allotment, after deducting acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted—

And so forth.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The next amendment was, on page 15, line 22, after the word "through", to insert the words "the State, county, and", and in line 23, after the word "farmers", to insert "hereinafter provided", so the sentence would read:

Each such local allotment, after deducting the acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted, through the State, county, and local committees of farmers hereinafter provided, among the farmers within the local administrative area—

And so forth.

Mr. GILLETTE. Mr. President, I dislike to take the time of the Senate when we are so anxious to get along with the bill, but the amendment now pending is not as innocuous as it would seem. It goes to the very heart of the principle upon which the farmers of the country have insisted. The principle upon which the farmers have insisted, and one of the things I pointed to with pride in the preparation of the farm bill, is that we are going to have it administered locally, that we are going to allow the farmers to administer it so far as we can. That is a thing we seek above everything else. The committee amendment now pending would take away the last vestige of local control in the bill.

I invite the attention of the Senate to page 14, subsection (c), where it is provided that "the national soil-depleting base acreage for wheat and corn shall be allotted by the Secretary among the several States and among the counties or other administrative areas" as he deems necessary. Later in the bill, on page 73, under "utilization of local agencies,"

it is provided that in such administrative units as he sets up the farmers owning farms within those units shall elect local committees. We provide that the chairmen of those local committees shall constitute the county committees. We provide there shall be a State committee selected by the Secretary.

In the amendment to which I am inviting attention, on page 14, we say to the Secretary, "Allot the State quota, allot the county quota, allot the administrative unit quota." In the provision we are discussing the only authority given the local committee selected by the farmers anywhere, if given anything, is to assign that local allotment to the farmer or the individual farm, and yet here by the amendment we are proposing that the State and local allotments shall be allotted to the individual farmer "through the State, the county, and the local committee of farmers hereinafter provided." What possible authority could there be in the State or in the county to make the local allotment of administrative units where the administrative committee is selected by the farmers themselves, and is the only committee they have any right or any authority under the bill to elect?

Later the same provision is made with reference to the fixing of the quotas. When the quota system is invoked and put into effect, the same provision will have to be taken care of. I hope that these words "State, county, and" may be stricken out. I cannot propose such an amendment at this time because it would change the text; but I hope at the proper time the word "through" may be changed to "by," so the local allotments may be made by the local committee selected by the farmer.

Mr. POPE. Mr. President, I am in thorough accord with the purpose of the Senator from Iowa, but I want to ask him whether or not striking out the words to which he referred would not make necessary some modification of the amendment which the Committee on Agriculture and Forestry adopted, providing for the election and functions of the county committee?

Mr. GILLETTE. I think not, because on page 74 it is provided that the Secretary shall make such regulations as are necessary to carry out the provisions of the section, including regulations for carrying out the functions of the different administrative units. The regulations will be provided by the Secretary for all the units down through the State, county, and administrative units. The only authority that we can possibly give under the bill is to let this local committee, whose members have been elected by the farmers, allot to the individual farms; and by the amendment as it was proposed in the committee we are taking even that authority away from them.

Mr. POPE. I do not clearly understand the effect of the words "State, county, and local committees," then. Of course, I think the Senator will agree with me that the local committee would not be in a position to make a national allotment.

Mr. GILLETTE. Oh, no.

Mr. POPE. Nor a State allotment and not a county allotment, but they should have the right and, as I understood it, they do have the right to make the individual farm allotments. If the effect of the Senator's position is to make that clear, I am in accord with him, because I thoroughly desire to have this in the hands of the local farmers for administration to just as great an extent as possible.

Mr. GILLETTE. At the bottom of page 14, subsection (c), the Secretary allots the State allotment, he allots the county allotment, he allots the administrative-unit allotment, so there is nothing for anybody else to do. There would be no interference with the local committee allocating to the farms the particular allotments to which they would be entitled.

Mr. O'MAHONEY. Mr. President, let me say that the Senator has convinced me of the correctness of his position.

Mr. GILLETTE. I am delighted.

Mr. O'MAHONEY. I wonder why the Senator does not perfect the amendment which has been offered by the committee, now that the Senator from Idaho has indicated that



he would be willing to adopt the suggestion of the Senator from Iowa. The amendment offered by the committee includes four words, "the State, county, and." If the Senator from Iowa would perfect the amendment by striking out the words "State, county, and," the committee amendment would stand on the word "the," and the object which the Senator has in mind would be attained, would it not?

Mr. GILLETTE. If the committee amendment shall be rejected, the words "the State, county, and" will not be in the bill. If the present speaker had the authority under the rules to change the word "other" to "by," in the text of the bill, at this time, he would be glad to have that done.

Mr. O'MAHONEY. Does the Senator desire to go that far, to provide that the local allotment should be made by the local committee?

Mr. GILLETTE. By all means, under the regulations which the Secretary will promulgate, under the provision on page 74.

Mr. O'MAHONEY. Does the Senator then propose offering an amendment?

Mr. GILLETTE. I will do so as soon as permitted.

Mr. O'MAHONEY. Then I suggest to the Senator that, instead of permitting the committee amendment to be adopted, he ought to ask that it go over until he is ready to present the other amendment.

Mr. POPE. Mr. President, I have discussed the matter with the coauthor of the bill, and we both agree with the Senator, and I am perfectly willing to have the committee amendment rejected. If there are other members of the Committee on Agriculture and Forestry who desire to have it retained as it is, that is another matter.

Mr. MCGILL. Mr. President, will the Senator from Iowa yield to me?

Mr. GILLETTE. I yield.

Mr. MCGILL. Would not the purpose be accomplished by striking out, in the amendment, on lines 22 and 23, the words "State, county, and"?

Mr. O'MAHONEY. That is what I suggested a moment ago.

Mr. MCGILL. I think we can agree to allow that to be done, if that meets the Senator's purpose.

Mr. GILLETTE. That will be agreeable. I ask unanimous consent that, in the event the committee amendment is rejected as to the words indicated, I may be permitted at this time to offer an amendment to change the word "through" to "by."

The PRESIDING OFFICER. The Senator from Iowa offers an amendment to the committee amendment on page 15, line 22, that the words "State, county, and" be stricken from the committee amendment.

The amendment to the amendment was agreed to.

The amendment, as amended, was agreed to.

The PRESIDING OFFICER. The Senator now asks unanimous consent that he be permitted to offer an amendment on line 22. Is there objection? The Chair hears none, and the Senator may offer the amendment.

Mr. GILLETTE. Mr. President, in line 22, page 15, I move that the word "through" be stricken out and that there be inserted in lieu thereof the word "by."

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 15, in line 24, after the word "which", to strike out "one or more major agricultural commodities" and insert "the commodity", so as to read:

(d) Each such local allotment, after deducting the acreage devoted to the commodity on farms on which the commodity is not produced for market, shall be allotted by the local committees of farmers hereinafter provided, among the farms within the local administrative area on which the commodity is produced for market. Such farm allotments shall be equitably adjusted among such farms according to the tillable acreage, type of soil, topography, and production facilities.

The amendment was agreed to.

The next amendment was, on page 16, after line 3, to strike out:

(e) The normal yield per acre for any major agricultural commodity on any farm shall be the average yield per acre for the

commodity thereon during the preceding 10 years adjusted for abnormal weather conditions or, if there is no actual yield, or the data therefor are not available for any year, then an appraised yield to be determined by the regulations of the Secretary. The normal yield per acre shall be first computed during the period in which adjustment contracts are first tendered to farmers under this act and thereafter shall be recomputed during any period in which new adjustment contracts are first tendered to farmers.

The amendment was agreed to.

The next amendment was, on page 16, after line 15, to strike out:

(f) The national average yield for any major agricultural commodity shall be the national average yield per acre for the commodity during the preceding 10 years adjusted for abnormal weather conditions.

The amendment was agreed to.

The next amendment was, on page 16, after line 19, to strike out:

#### TOTAL SUPPLY AND NORMAL SUPPLY

SEC. 8. For the purposes of this act—

(a) The total supply of any major agricultural commodity shall be the carry-over at the beginning of any marketing year plus the estimated production during the calendar year in which such marketing year begins.

(b) The normal supply for the several major agricultural commodities shall be as follows:

Cotton, a normal year's domestic consumption and exports, plus 40 percent thereof as an allowance for a normal carry-over;

Wheat, a normal year's domestic consumption and exports, plus 20 percent thereof as an allowance for a normal carry-over;

Field corn, a normal year's domestic consumption and exports, plus 5 percent thereof as an allowance for a normal carry-over;

Rice, a normal year's domestic consumption and exports, plus 5 percent thereof as an allowance for a normal carry-over;

Tobacco, a normal year's domestic consumption and exports, plus 180 percent of a normal year's domestic consumption and 50 percent of a normal year's exports as an allowance for a normal carry-over.

Mr. POPE. Mr. President, out of fairness I think I should call the attention of the Senate to the provisions on page 17 which have been stricken out by the committee. This is one of the points which the Secretary of Agriculture raised in his letter.

It will be remembered that the Secretary favored as to wheat and corn the definition of "normal supply" contained in the language which has been stricken out by the committee. We find here, as to wheat, the provision for a normal supply to be a normal year's domestic supply plus 20 percent for a normal carry-over. Then as to corn, "field corn, normal year's domestic consumption and exports plus 5 percent for a normal carry-over."

In an amendment adopted by the committee, which appears later on in the bill, the normal supply of wheat is defined as domestic consumption and exports plus 10 percent as an allowance for a normal carry-over and 5 percent, in the definition of a carry-over of corn, is stricken out.

I felt that I should call this to the attention of the Senate in the event the matter should be discussed here. It will arise again, I take it, on the amendment of the committee which appears later under the general heading "Definitions."

Mr. HATCH. Mr. President, is there any other difference between the committee amendment which we will reach later and the original text of the bill except that which the Senator has just pointed out?

Mr. POPE. There is none, so far as the provision as to wheat and corn are concerned, but with reference to cotton, in the cotton section of the bill, it will be found that instead of a 40-percent carry-over there is a 35-percent carry-over contained in that part of the bill. As to rice and tobacco, I am not certain. Someone else will have to answer the question.

Mr. HATCH. I wonder whether the Senator from Louisiana will not explain the difference as to rice and tobacco, so that the Senate may be informed as to the difference between this provision and the committee amendment.

Mr. ELLENDER. Mr. President, will the Senator from Idaho yield?

Mr. POPE. I yield.

Mr. ELLENDER. The difference is that in the case of rice the percentage was increased from 5 to 10 percent. In the case of tobacco, the domestic consumption and export figure was decreased from 180 percent of the normal year's



domestic consumption to 175 percent. With reference to the normal year's export, it was changed from 50 percent to 65 percent.

Mr. HATCH. I should like to ask the Senator from Idaho a question. When we reach the committee amendment, if we wish to change the figure in the committee amendment to the figure in the original text, would the result be the same?

Mr. POPE. The result would be the same, because the definitions of "normal supply" have been placed in different sections of the bill. It occurs to me that would be the better way to approach the matter, rather than to refuse to adopt the committee amendment at this point. That question, it seems to me, can be raised and disposed of later. I merely call attention to it at this time in order that it may be known that this is the text of the original bill to which the Secretary referred in his letter.

Mr. HATCH. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HATCH. Was the amendment striking out this provision agreed to?

The PRESIDING OFFICER. The amendment has not been voted on. The Chair was about to put the question when the Senator from Idaho addressed the Chair.

Mr. O'MAHONEY. Mr. President, will the Senator from Idaho yield to me?

Mr. POPE. I yield.

Mr. O'MAHONEY. I was merely about to make an allusion similar to that made by the Senator from New Mexico. I have offered an amendment to the committee amendment with respect to the definition of the normal supply of corn, and I merely desire to give notice that when that committee amendment is under consideration I shall press the change.

Mr. POPE. Mr. President, in my judgment, the thing to do is to adopt the amendment proposed by the committee striking out these provisions of the original text. Then the matter can be disposed of and decided on the committee amendments which appear later in the bill, and upon such amendments to the amendments as may be offered. I think we will be entirely safe in adopting the committee amendment at this point and proceeding with the matter in regular order.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment of the committee.

The next amendment was, on page 17, line 19, after the word "diversion", to insert "for wheat and corn", so as to make the subhead read:

Ever-normal granary and acreage diversion for wheat and corn.

The amendment was agreed to.

The next amendment was, on page 17, line 21, after the word "of", to strike out "any major agricultural commodity" and insert "wheat or corn", so as to read:

SEC. 9. (a) Whenever the total supply of wheat or corn as of the beginning of the marketing year has been finally ascertained and proclaimed by the Secretary, he shall thereupon, after hearing as provided hereinafter, establish and proclaim the following:

First, the ever-normal granary for such commodity during such marketing year; but no ever-normal granary shall be established or proclaimed for wheat or corn for any marketing year if the Secretary has reason to believe that during the first 3 months of such marketing year the current average farm price for the commodity shall be more than the parity price therefor.

Second, the percentage, if any, of the soil-depleting base acreage for the commodity to be diverted from the production thereof during such marketing year in order to effectuate the declared policy, but in no event shall such percentage be so great that, upon the basis of the national average yield for the commodity, the total supply of the commodity at the end of the marketing year is likely to be less than the normal supply thereof.

Mr. McNARY. Mr. President, this amendment seems greatly to modify the ever-normal granary, as I had conceived it. I thought the purpose of the normal granary was to carry excesses in order to meet domestic consumption in years of drought and flood. It seems that the Secretary, if he finds that the current average farm price is higher than

the parity price, is not to store up any of these commodities. If that be true, then the theory is that if the current price is high enough, there is no use in taking care of the grain, and we will have an empty granary. That is for this year. But suppose we have a drought next year, and the bins are open; where is the ever-normal granary? I had assumed that when the Secretary of Agriculture said that an ever-normal granary was an institution that carried its bins full of corn and wheat to meet the unexpected and unnatural conditions such as have obtained in the last 4 years, when our normal supply of wheat was very low, less than necessary for the domestic requirements, he would see that the granary was kept full. The whole purpose will be defeated if we put the whole emphasis on the price the farmer is to get for his wheat.

It is said that if the average current price is higher than the parity price, we will not have the granary. For illustration, suppose the average current price of wheat is \$1.30 a bushel and the parity price is \$1.27 a bushel. Operating the first 3 marketing months, the Secretary discovers that, and says: "We will leave the old granary empty. We are not going to fill it up because the farmer is getting more than the parity price."

If this is a price proposition, it is one thing. If the purpose is to assure the drought-stricken States, and the destitute, against the horrible things which come with drought and flood, price fixing, price elevating, has nothing to do with it whatsoever.

It occurs to me that the amendment wholly vitiates the reasonable purpose of an ever-normal granary. I have studied the matter, and that is the way I read it, and I ask the Senator from Idaho if that is the interpretation he places on that language.

Mr. POPE. Mr. President, will the Senator yield?

Mr. McNARY. I yield.

Mr. POPE. So long as there is not an oversupply or a surplus of a commodity, the price is likely to stay fairly well up to parity, and when there is a great surplus on hand the price will almost invariably fall below parity. The committee thought that it would not be satisfactory to the farmers, if they had a ready sale and a good price for their commodities, to establish an ever-normal granary, and we thought the chances were that if there were an oversupply there would be a low market, and if there were an undersupply the market would be more likely to be up. So that in practical effect the establishment of an ever-normal granary will come quickly enough, because with an oversupply of a commodity the price will be below parity and the Secretary can act.

It was the judgment of the committee that the purpose of establishing the ever-normal granary was twofold: First, to regulate and increase the prices of commodities; second, to establish the granary for future use.

It cannot be said that the purpose is entirely one thing or the other. Therefore the committee thought that as a practical matter this would work out as well as the provision stricken out, or better.

Mr. McNARY. Mr. President, the Senator has admitted my allegation that this is a price-fixation scheme in order to get the price up to parity. The corn is to be put into storage so long as it is under parity, but if the price is above parity it is to be sold. That is fixing prices. That is attempting to lift the price.

I thought the commendable thing about this ever-normal granary that I have read so much about, which the great altruist, the Secretary of Agriculture, wanted—and that was all I could see in his scheme—was some device by which he could prevent hunger, starvation, and destitution in time of drought and scarcity of production. I thought it was a humanitarian scheme, rather than one selfishly to increase the price levels under an acreage production-control bill.

Mr. President, the Senator has told me all I wanted to know. I hope that provision will go out of the bill in the interest of the Secretary of Agriculture, and, more than that, in the interest of hungry humanity.



Mr. HATCH. Mr. President, in connection with the remarks of the Senator from Oregon, I am just wondering if it is not true that when the parity price of wheat—for instance, \$1.30 a bushel—is reached, that is about all that the consumer could afford to pay within reason. Then if we were to withdraw from the American market places huge supplies of wheat to place them in an ever-normal granary, would not that in itself necessarily boost the price still higher and higher, until the price would perhaps be prohibitive from the standpoint of the consumer; and is not this very provision a protection to the consumers as well as a price-fixing measure for the producers?

Mr. McNARY. No; because the protection to the consumer lies in the provision as to loans on surplus commodities in the warehouses under seal. That is cared for in another provision of the bill. I think the Senator is hemispherically off from a right solution of that problem.

Mr. O'MAHONEY. Mr. President, I ask the Senator from Idaho [Mr. POPE] if I am correct in the assumption that the Secretary in his letter was referring to this amendment, among others?

Mr. POPE. No. If I recall the letter correctly, he was referring to the provisions establishing normal supply levels. It can be seen at once that if a normal supply level consists of domestic consumption plus exports, plus 10 percent for wheat, we shall reach the marketing quotas much quicker than if an additional 20 percent were added to the normal supply.

I think the Senator will remember that in the Secretary's letter he said that the distance to the marketing quota should be greater; that we should not reach it so soon. So that is the feature the Secretary had in mind, rather than this. So far as I know, the Secretary has not made any objection to this feature; at least, I do not recall any.

Mr. O'MAHONEY. Does not the committee amendment actually change the objective of the bill?

Mr. POPE. I think the question should be answered by saying that it does make the measure more clearly a bill in the interest of the growers. We have limited the effect to the consumers, and have sought to give the growers greater power to control their surpluses and prices. As I said the other day, the Secretary in a large, generous way is looking at the consumers more than the committee, and the growers of the commodity are looking at the consumers; but I think, still, the balance between consumer protection and price improvement is not lost.

Mr. O'MAHONEY. Mr. President, the burden of the criticism which has been made against the Secretary's proposal and against the bill in the House is that the Federal Government, through the Secretary, is attempting too great a regimentation, as it is called, of agriculture. The defense which the Secretary makes of his bill is that these so-called objectionable features will not come into effect until there is a clear, definite surplus; in other words, until there is a real emergency. The amendment which the committee offers abandons that ground altogether and brings the control features of the bill into play before there is a real surplus, if the price happens to go down. Is that not correct?

Mr. POPE. Mr. President, I think the Senator is making the statement too strong. The fact that there is a 10-percent cushion in the normal supply of wheat—the Secretary desires a 20-percent cushion—indicates, of course, that the authors of the bill, the Committee on Agriculture and Forestry, and the farmers who are interested in the bill whom we have consulted, desire to reduce the point or lower the point at which they can get action to control prices.

Mr. O'MAHONEY. The Senator will observe that the language which is stricken out provides a 10-percent cushion, and the language which the committee inserts provides no cushion at all.

Mr. POPE. Yes. This is an interesting thing. The Secretary is accused of wanting more power to regiment the farmers, and the fact is that the farmers primarily interested in the bill want to give the Secretary more power. The Committee on Agriculture and Forestry also took that view.

I will say to the Senator that I have found that the farmers—the able, intelligent, responsible farmers—want more power to control their supplies, and therefore control their prices, than the Secretary of Agriculture wants to have contained in a bill. That is the truth of the matter. The very people who are most strongly behind this bill are the ones who want the ever-normal granary limited, and want the point where they can use these marketing quotas reached before the Secretary desires to have it reached.

Mr. O'MAHONEY. Yes; and that, of course, illustrates the point I have in mind. The bill deals with a limited number of commodities.

Mr. POPE. Yes.

Mr. O'MAHONEY. By reason of the fact that it deals with a limited number of commodities, and would have the result of taking out of cultivation certain acres now devoted to the particular crops mentioned here, it constitutes an invitation to those farmers who are thus paid to go into some other commodity, with the result that Senators rise here upon the floor and offer all sorts of amendments designed to prevent the use of the diverted acreage for the production of other crops. That, in turn, brings about a much greater degree of regimentation; as, for example, the amendment which is proposed with respect to the use of diverted acreage for raising dairy herds. A reading of amendments of that kind makes it immediately clear that to enforce such an amendment the Secretary would probably have to appoint a regiment of agents to watch every fence that is constructed, to watch every acre that is diverted, and thereby bring about a much greater amount of regimentation than we have here.

It seems to me that the reasonable procedure, therefore, is to do as the Secretary has asked us to do, and draw this bill in such a manner that the restrictive features, the control features, shall not come into effect until there is a real surplus, until there is an emergency, if one wishes to so say, and a condition in which the regimentation can be defended.

It seems to me in those circumstances the committee amendments should not be adopted.

Mr. MCGILL. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. MCGILL. The other day I undertook when I spoke on this bill to state my position as clearly as I knew how with reference to the difference in the viewpoint entertained by the Secretary of Agriculture, or those who had appeared before the committee at that time from the Department of Agriculture, and my viewpoint. Personally, I think the committee amendments should be agreed to; probably not exactly as they are written but substantially as they are written. However, if a majority of the Senate are—

Mr. O'MAHONEY. Mr. President, may I ask the Senator at that point a question? Am I to understand that the Senator's primary objective is to raise the price of these products?

Mr. MCGILL. Not that alone. Let me illustrate, if I may, what I have in mind. I am not so familiar with the corn situation, but I understand that the amount of corn which has been produced on an average over the period of the last 10 years is substantially all that we have ever used in this country, and it is not exported. If the committee amendments are adopted, the normal supply of wheat, for instance, would be 750,000,000 bushels, which would be 100,000,000 bushels more than we consume in this country and 50,000,000 bushels more than we export from this country and consume here or have exported and consumed during any year since 1930. Under the committee amendments, if they are adopted, a marketing quota could be voted by the farmers when they have on hand 825,000,000 bushels of wheat. That would be about 200,000,000 bushels of wheat more than our domestic consumption and our export market will use. We would have that much of a surplus on hand. Three hundred and ninety-seven million bushels surplus in this country in 1931, 1932, and 1933 drove the price of that commodity down to where the farmers could hardly sell it for enough to pay the cost of transportation to the central markets.



Our committee amendments, if they are adopted, would permit a surplus of 200,000,000 bushels and over before the issue of having a marketing quota could be even voted upon by the farmers. If the Secretary's proposals are adopted—and we are talking about the control features, which I suppose are the marketing quotas which the Senator has in mind—if the Secretary's proposals are adopted, there would have to be at least 907,000,000 bushels of wheat on hand in this country before the farmers would have a right to vote on whether they should have a marketing quota. If, as the bill now provides, they must have on hand 200,000,000 bushels more than would be consumed in this country, or than are bought on the foreign markets and consumed here, then certainly it cannot be said we are keying this bill to price alone. We are keying it to an adequate supply and also furnishing the farmer with the avenue whereby he may have the opportunity of so marketing his commodity as to get a price that is commensurate with his efforts.

My judgment is the committee amendments are liberal enough. However, if others disagree with that, well and good. I wish to say to the Senator from Wyoming that when we shall have 907,000,000 bushels of wheat on hand in this country the price of that commodity will be so low there will be little purchasing power among the wheat farmers of the United States.

The PRESIDING OFFICER. The time of the Senator from Wyoming [Mr. O'MAHONEY] on the amendment has expired.

Mr. MCGILL. Mr. President, if necessary, I will take the floor in order that the Senator from Wyoming may ask me a question and make a speech in connection with it.

Mr. O'MAHONEY. I have no desire to make a speech, but I did want to ask the Senator a question.

Mr. MCGILL. I did not mean to take the Senator off the floor.

Mr. O'MAHONEY. In the House of Representatives today an amendment was adopted, as I read the RECORD hastily this morning, striking out of the House bill altogether the marketing quotas on wheat.

Mr. MCGILL. By the vote of a minority of the House.

Mr. O'MAHONEY. Yes; but the House acted in the constitutional manner, and that feature was stricken out. The thought which it brings to my mind is this:

We are confronted here with a very practical question. There is some doubt in the minds of many Members, if one is to judge by what he hears in the lobbies and in the cloak-rooms, as to just what form this bill will finally take and where it will finally reach its final form. Does it not seem to the Senator that it would be wise to make some concession to this opinion, which has expressed itself first through the Secretary and yesterday through the action of the House of Representatives, opposing the imposition of marketing restrictions until there is a necessity for it?

Mr. MCGILL. In my judgment, upon reconsideration—and I am not predicting what the House will do—when a majority vote on a roll call is had, the bill will not remain with the marketing quota provision stricken out.

I wish to say a word further in response to the Senator. We all recognize that purchasing power is necessary among all agricultural groups. My fear is that the amount required to be on hand before a marketing quota can be voted upon is going to be too large, in the final analysis, and when the bill is finally acted upon by the two Houses.

As I understand, the House bill provided for 1,000,000,000 bushels of wheat before the farmers would have the right to vote on a marketing quota. If we will hold our amendments here down to a point of, say, 825,000,000 bushels, I surmise that when a compromise has been reached between the two Houses an adequate supply will be required of the farmers of the country before a marketing quota can be voted upon.

Mr. NORRIS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Nebraska?

Mr. MCGILL. I yield.

Mr. NORRIS. I am very much interested in what the Senator says about the number of bushels which will have to be on hand before this question can be determined by the Secretary. I wish the Senator would give us the source of his information that there would be 950,000,000 bushels of wheat on hand. I do not have that understanding.

Mr. MCGILL. Nine hundred and seven million bushels, as I recall.

Mr. NORRIS. How does the Senator reach that figure?

Mr. MCGILL. If we take the various portions of the bill and analyze them and determine what a normal supply would be, which would be 750,000,000 bushels under the provisions of the bill, then, if we add to that 10 percent for a normal granary, as is provided in this section of the bill, and then if we add to that another 10 percent in order to determine other terms defined in the bill—I do not recall them just at this moment—it will raise the quantity on hand above normal, 750,000,000, by 20 percent; and, as I understand, the bill as it is now written would only allow them to go 10 percent above normal. It is a difference in percentage over and above normal. I have not the amounts in my mind just at this moment, but we figured those things out in the committee.

Mr. NORRIS. I am willing, of course, to take the Senator's computation. I desire to ask him another question.

The Senator, in referring to the action the House took yesterday, followed it with the statement that he thought in conference a compromise would be reached that would be satisfactory. I am afraid this would be the parliamentary situation: Assuming that the House would agree to the amendment that was made yesterday in Committee of the Whole—in the House they have stricken out the entire thing, as I understand—it would not be in conference, and there would not be any such thing as a compromise. If we want to get a compromise, would it not follow that we ought to put something of the kind in the bill, or ought perhaps to follow the suggestions of the Secretary of Agriculture and have a cushion of 10 or 20 percent?

Mr. MCGILL. The Senator may be correct in his conclusion. I am simply stating my position, and I think I am not alone in the position I take.

Mr. O'MAHONEY. Mr. President, will the Senator yield to me for just another moment?

Mr. MCGILL. Yes.

Mr. O'MAHONEY. Today we voted down an amendment the purpose of which was to make this a temporary bill. In other words, we declared that we are now dealing with permanent legislation. The Committee on Agriculture and Forestry undoubtedly had before it the view of the experts in the Department of Agriculture that the people of the United States alone can consume the agricultural products of this country at the present time.

Mr. MCGILL. Oh, no; we had no such opinion as that before us.

Mr. O'MAHONEY. I have here a speech which was made in 1934 by Mr. F. F. Elliott, Chief of the Production and Planning Section of the Agricultural Adjustment Administration, in which he said that if all the people in the United States were enjoying a liberal diet, it would mean a step-up of 25 to 30 percent in our feed grain acreage over the present acreage requirements.

Let me say that I have the feeling that we are not going to obtain any permanent solution of the economic troubles that beset us until we find a way of stimulating the purchasing power not alone of the farmer but of all the population, particularly the industrial population; so that in passing permanent legislation it seems to me we should be very careful to set our limit at a point which will not tend to impose what is commonly called the economy of scarcity upon the people of America.

For that reason I intend to vote against the committee amendment, in the belief that I am supporting the program of the Secretary in that regard.

Mr. MCGILL. The Senator has quoted what has been said by Mr. Elliott. I have read numerous statements of a similar character, and I do not believe anyone is competent to say



just exactly how much all the people of the United States would consume if they all had all they would need to consume. I do know, however, about how much we have normally consumed, and I know what we now have on hand. I cannot help knowing that wheat went down from \$1.30 in June to about 94 to 95 cents at this time; and the fact that that is not due to such a supply as is contemplated by the bill as originally drafted, nor by such a supply as is contemplated by the House bill at this time. I think when we guarantee 200,000,000 more bushels than we normally sell either at home or abroad, we are not engaging in a policy of scarcity.

Mr. BARKLEY. Mr. President, I desire to ask the Senator if the amendment proposed by the committee does not restrict the Secretary in his establishment of the ever-normal granary if, during the first 3 months of the marketing year, the farmers are receiving, or are likely to receive, more than parity for their wheat. If so, it seems to me that this amendment tends in the direction of freeing the farmer from any regulation that might ensue as a result of the establishment of an ever-normal granary, provided he is to obtain parity prices for his products.

Mr. MCGILL. For that year.

Mr. BARKLEY. For that year; yes. To that extent, this provision is more liberal to the farmer in the production of crops than the bill would be without it.

Mr. MCGILL. The bill goes further than that, in that it provides that when parity is reached, and an ever-normal granary has been established, the Secretary is obliged to release supplies from the ever-normal granary in order to bring down the price.

Mr. BARKLEY. This simply provides that if, during those 3 months of the marketing year, the farmer shall receive parity or more than parity, then the Secretary shall not establish a granary from which he must make releases later whenever the farmer does receive the parity price.

Mr. MCGILL. If he would establish a granary under such circumstances, he would cause the market to go higher.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. MCGILL. I yield.

Mr. NORRIS. Under the committee amendment, as I understand it, when parity is reached the Secretary opens the doors of the granary. Under the terms of the bill without the committee amendment he would have to wait until the price had gone above parity. Is not that true?

Mr. MCGILL. As I understand, the bill as originally drawn provided for the withdrawing of commodities from the ever-normal granary when the price would go above parity. The amendment, it would seem to me, is in line with that provision in that it provides the Secretary shall not establish a granary when the price is above parity.

Mr. NORRIS. I remember, when the amendment came up for consideration in the committee, there was very little discussion of it. It is one of the points raised by the Secretary in his letter which was read to the Senate the other day. By the way, that is a letter which I thought was very commendatory. I think the Secretary performed a distinct service in sending that letter here, although he has been criticized for it. I thought it was a very fair statement of his position.

Mr. MCGILL. I think he has been eminently fair on all occasions.

Mr. NORRIS. No apology is needed for the letter. I was impressed on this point and one other point as I heard the letter read. Probably the Secretary was right. I am not satisfied in my own mind that he was not, and I am rather of the opinion that if I had to vote now without examining the letter and the amendment further, I would vote against the adoption of the amendment. I wonder if those in charge of the bill would be willing to let the amendment go over, let it be the pending question tomorrow, and let us take a recess at this time?

Mr. MCGILL. I think I could agree with the Senator from Idaho [Mr. POPE] that so far as this particular amendment is concerned it could be adopted and not jeopardize the rights of any Senator with reference to the phases of

the bill we have had under discussion. What we have been saying has been for the purpose of ascertaining each other's viewpoints.

Mr. BARKLEY. Mr. President, I had hoped we could proceed with consideration of the bill down to title II, on page 21. We have made very little progress on the bill today.

Mr. McNARY. Mr. President, on page 19, subparagraph (c), is an amendment which I desire to have go over.

The PRESIDING OFFICER. The pending amendment is on page 18.

Mr. McNARY. I appreciate that. I am willing to have that disposed of. The Senator from Nebraska would like to have it go over, and I want the amendment on page 19, beginning at line 10, to go over.

The PRESIDING OFFICER. Does the Senator prefer that request?

Mr. BARKLEY. We have not reached that amendment yet.

Mr. McNARY. No; I am merely giving notice.

The PRESIDING OFFICER. The question is on agreeing to the amendment on page 18, lines 1 to 7.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next amendment.

The next amendment of the Committee on Agriculture and Forestry was, on page 18, to strike out lines 8 to 13, both inclusive, as follows:

The ever-normal granary shall be such supply, in addition to the normal supply but not in excess of 10 percent thereof, as will maintain a surplus reserve adequate to meet domestic consumption and export needs in years of drought, flood, or other adverse conditions as well as in years of plenty.

The amendment was agreed to.

The next amendment was, on page 18, line 24, after the word "production", to strike out "of any major agricultural commodity" and insert "of wheat or corn", so as to read:

(b) Adjustment contracts shall require cooperators engaged in the production of wheat or corn for market to divert from the production of the commodity during any marketing year the percentage of the soil-depleting base acreage for the commodity proclaimed by the Secretary under this section. Such contracts shall further provide that such cooperator shall engage in such soil-maintenance, soil-building, and dairy practices with respect to his soil-depleting base acreage diverted from the production of the commodity, as shall be provided in his adjustment contract.

Mr. AUSTIN. Mr. President, I understood that amendment went over at the request of someone.

The PRESIDING OFFICER. The Chair is informed that this amendment has not yet been considered. The Chair is informed that the amendment to which the Senator refers is on page 14, line 2, which went over at the request of the Senator from New York [Mr. COPELAND].

Mr. AUSTIN. I have found the amendment to which I referred. It is on page 19, lines 6 and 7.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the committee beginning at the bottom of page 18.

The amendment was agreed to.

The next amendment was, on page 19, after line 9, to insert:

(c) Adjustment contracts shall require a cooperator engaged in the production of wheat or corn for market to store under seal his stock of the current crop thereof up to an amount not exceeding the normal yield of 20 percent of his farm's soil-depleting base acreage for such commodity if the Secretary, at any time during the marketing year for such crop or within 30 days prior thereto, determines that such storage is necessary in order to carry out during such marketing year the declared policy of this act with respect to the commodity; but such storage shall not be required if the Secretary has reason to believe that during the ensuing 3 months the current average farm price for the commodity will be more than the parity price therefor. Such storage shall be for the period of the marketing year or such shorter period as the Secretary shall prescribe. Cooperators shall be entitled to obtain from the Surplus Reserve Loan Corporation surplus reserve loans in respect to stocks stored as required by the Secretary under this subsection.

Mr. McNARY. Mr. President, I ask that that go over until tomorrow.



The PRESIDING OFFICER. Without objection, the amendment will be passed over until tomorrow. The next amendment will be stated.

The next amendment was, on page 20, line 6, after the word "producers", to strike out "any major agricultural commodity" and insert "corn or wheat"; in line 16, after the word "produces", to strike out "any major agricultural commodity" and insert "wheat or corn"; in line 20, before the word "corn", to strike out "field"; and in line 21, after the word "one", to strike out "major", so as to read:

(c) If any cooperator during any marketing year produces corn or wheat on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the percentage of his soil-depleting base acreage therefor required pursuant to this section, then for such marketing year such cooperator shall be deemed a noncooperator and shall not be entitled to surplus reserve loans or parity payments with respect to his production of the commodity for such marketing year. In determining whether or not any cooperator during any marketing year produces wheat or corn on acreage in excess of his soil-depleting base acreage for such commodity or fails to divert from the production of any such commodity the prescribed percentage of his soil-depleting base acreage therefor, wheat and corn shall be considered as one agricultural commodity.

The amendment was agreed to.

The next amendment was, at the top of page 21, to insert the following schedule:

SCHEDULE A.—*Surplus reserve loan, parity payment, and maximum income rate*

If the total supply at the beginning of the marketing year, in terms of a percentage of the normal supply, is as follows:	Loan, parity payment, and maximum income rates are the following percentages of the parity price at the beginning of the marketing year		
	1	2	3
	Surplus reserve loan rate for wheat and corn	Parity-payment rate for cotton, wheat, and corn <sup>1</sup>	Maximum income rate
	Percent	Percent	Percent
Up to 100.....	85	15	100
100 up to 101.....	82	16	98
101 up to 102.....	79	17	96
102 up to 103.....	76	18	94
103 up to 104.....	74	19	93
104 up to 105.....	72	20	92
105 up to 106.....	70	21	91
106 up to 107.....	68	22	90
107 up to 108.....	66	23	89
108 up to 109.....	64	24	88
109 up to 110.....	62	25	87
110 up to 111.....	60	26	86
111 up to 112.....	58	27	85
112 up to 113.....	56	28	84
113 up to 114.....	54	29	83
114 or more.....	52	30	82

<sup>1</sup> If the parity payment rate is greater than the difference between the current average farm price and the maximum income rate, then the parity payment is computed at a rate equal to such difference. (See sec. 6.)

The amendment was agreed to.

Mr. HATCH. Mr. President, I have been informed that certain Senators who are not now present desire to offer an amendment to the schedule appearing at the top of page 21, the amendment which has just been adopted.

Mr. BARKLEY. Mr. President, if any Senator desires to do that we can reconsider tomorrow the vote by which the amendment was adopted.

Mr. HATCH. Very well. With that understanding, I shall be satisfied.

Mr. POPE. Mr. President, in order that the amendment, which I proposed today in connection with dairying matters in the bill, may be available, I ask that it may be printed and lie on the table.

The PRESIDING OFFICER. Without objection, the amendment will be printed and lie on the table.

#### EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

#### EXECUTIVE REPORTS OF COMMITTEES

Mr. PITTMAN, from the Committee on the Judiciary, reported favorably the nomination of John H. Druffel, of Ohio, to be United States district judge for the southern district of Ohio.

Mr. THOMAS of Utah, from the Committee on Education and Labor, reported favorably the nomination of Nathan Straus, of New York, to be Administrator of the United States Housing Authority.

The PRESIDING OFFICER (Mr. CLARK in the chair). The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

#### THE JUDICIARY

The legislative clerk read the nomination of Victor E. Anderson to be United States attorney for the district of Minnesota.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

#### POSTMASTERS

The legislative clerk proceeded to read sundry nominations of postmasters.

Mr. BARKLEY. I ask that the nominations of postmasters on the Executive Calendar be confirmed en bloc, with the exception of the nominations of West Virginia postmasters, on which action was postponed last week.

The PRESIDING OFFICER. Without objection, the nominations of postmasters on the Executive Calendar, other than the West Virginia nominations, are confirmed en bloc. That completes the Executive Calendar.

#### RECESS

The Senate resumed legislative session.

Mr. BARKLEY. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 19 minutes p. m.) the Senate took a recess until tomorrow, Wednesday, December 8, 1937, at 12 o'clock meridian.

#### CONFIRMATIONS

*Executive nominations confirmed by the Senate December 7 (legislative day of Nov. 16), 1937*

#### UNITED STATES ATTORNEY

Victor E. Anderson to be United States attorney for the district of Minnesota.

#### POSTMASTERS

##### KANSAS

Clarence E. Yockey, Erie.

##### OKLAHOMA

Cara M. Masters, Cardin.

Ruth I. Corbin, Delaware.

James A. Deaton, Howe.

Vivian P. Waddill, Milburn.

## HOUSE OF REPRESENTATIVES

TUESDAY, DECEMBER 7, 1937

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in Heaven, Thou changeless One, who art the eternal haven of the soul: Blessed is the man whose strength is in Thee. Enable us to give Thee the chief place in our lives. We pray Thee to empty us of excessive selfishness and pride. May we be blest with pardon, grace, and tranquillity born of a supreme faith. Let us not fail of our exalted privilege in serving a great and patriotic people. By these sacred moments of prayer, may we be prepared to meet the duties of the day. With freshened vigor help us to be unafraid of the present, and support us with the courage of the future; touch us by the majesty of Thy power and

wisdom. O giver of all mercies, lead our minds forward to graze upon the uplands of truth and feed them upon the hilltops of the spiritual, and Thine shall be the glory. Through Christ. Amen.

The Journal of the proceedings of yesterday was read and approved.

#### EXTENSION OF REMARKS

Mr. EATON. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include therein two brief statements made by Gen. John Philip Hill, a former Member of this body and a member of the American Battle Monuments Commission, at the inauguration of the American Bellicourt Monument, in France, and at the inauguration of the Brookwood American Cemetery in England.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. PETTENGILL asked and was given permission to extend his own remarks in the RECORD.

Mr. PLUMLEY. Mr. Speaker, I requested permission to extend my remarks in the RECORD and to include therein a letter from the Governor of the State of Vermont. My request was as follows:

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein a letter from the Governor of the State of Vermont.

The SPEAKER. Is there objection to the request of the gentleman from Vermont?

There was no objection.

Inasmuch as the identical letter does appear in the Appendix of the RECORD under an extension of remarks in the other branch of the Congress, I shall not ask to have it printed again, but I would like to have my request stand as made.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a speech made by Tom Paine in 1796 on the farm question.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

#### INVESTIGATION OF NATIONAL LABOR RELATIONS BOARD

Mr. THOMAS of New Jersey. Mr. Speaker, I offer a preferential resolution and ask for its immediate consideration.

The SPEAKER. The Clerk will report the resolution.

The Clerk read as follows:

#### House Resolution 374

Whereas the National Labor Relations Board has issued a subpoena ordering Hartley W. Barclay, editor of a magazine called Mill and Factory, to submit certain records relative to statements made by Barclay in a magazine article in connection with a labor strike; and

Whereas such an act on the part of the National Labor Relations Board appears to be beyond the legal power of the Board and appears to be a violation of the freedom-of-the-press clause of the Constitution of the United States: Therefore be it

Resolved, That the Speaker of the House of Representatives be empowered to appoint a special committee of nine Members of the House of Representatives to investigate the conduct and actions of the National Labor Relations Board with a view to determine to what extent, if any, the National Labor Relations Board has overstepped its legal authority and/or has violated the Constitution of the United States; and be it further

Resolved, That this special committee report back to the House of Representatives during the second session of the Seventy-fifth Congress.

Mr. RAYBURN. Mr. Speaker, I make the point of order the gentleman has not offered a privileged resolution.

The SPEAKER. The Chair sustains the point of order.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. MAVERICK. Mr. Speaker, I ask unanimous consent that on Friday next, if the House is in session, I may be permitted to address the House for 30 minutes after the disposition of matters on the Speaker's table and the legislative program in order for the day.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent that on Friday next, following the address of the gentleman from Texas, I may be permitted to address the House for 15 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

#### EXTENSION OF REMARKS

Mr. CHANDLER, Mr. VOORHIS, and Mr. ROMJUE asked and were given permission to extend their own remarks in the RECORD.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent that on Friday next, after the address by the gentleman from Massachusetts [Mr. TREADWAY] I may be permitted to address the House for 10 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

#### THE PRIVATE CALENDAR

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent that Private Calendar business in order today may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### THE FARM BILL

Mr. JONES. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 8505) to provide for the conservation of national soil resources and to provide an adequate and balanced flow of agricultural commodities in interstate and foreign commerce.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 8505, with Mr. WARREN in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday there was pending an amendment offered by the gentleman from Alabama [Mr. HOBBS], which the Clerk will again report.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 59, line 15, at the end of section 353, change the period to a colon and add: "Provided, however, That in 1937 the Secretary shall perform the duties required of him by this section during the month of December."

Mr. HOBBS. Mr. Chairman, this is one of a series of cotton amendments. I believe the orderly way in which to present the four amendments I have to offer is by making a unanimous-consent request that I be permitted to continue for 10 additional minutes at this time. I will not burden you with using all the time I would be allowed for the discussion of the other amendments then, and I believe it will save time in the long run.

Mr. JONES. Is the gentleman making this request now?

Mr. HOBBS. Yes.

Mr. JONES. The gentleman makes his request for 10 minutes altogether, not 15 minutes?

Mr. HOBBS. Ten minutes.

Mr. JONES. The gentleman has not taken any time heretofore, and I shall not object, but hereafter I shall have to object.

Mr. FISH. Mr. Chairman, I make that request in behalf of the gentleman from Alabama.

The CHAIRMAN. The gentleman from New York asks unanimous consent that the gentleman from Alabama [Mr.



HOBBES] may be permitted to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. HOBBES. Mr. Chairman, very seriously, I wish to call your attention to the situation which confronts us at this time, as a background for the thinking which I hope you will do with reference to the cotton provisions of this bill.

At the last session of Congress we enacted a resolution in which we pledged ourselves to the enactment of a bill which would control "agricultural surpluses."

There was predominant in the thought of the President of the United States in issuing the call for this special session of Congress conviction of the imperative necessity of control of agricultural surpluses. In fact, that was the sine qua non of this special session, the whole motivating cause.

Coming now to speak for cotton, I wish to make this basic observation: Cotton wants nothing for itself which is not given to corn, to wheat, to tobacco, and to rice, the other commodities included in this bill. There is nothing in the remarks I am making today in behalf of cotton, nor in the amendments which I shall offer to better this bill with respect to cotton, seeking even the slightest unfair advantage for cotton.

Cotton has a right to the floor for a few minutes. Congress is not being asked to think on a petty subject when cotton asks your undivided thought while it pleads its case for equality under the pending bill.

I would call your attention solemnly to the fact that the trade balance in favor of America all through the years of our national life has amounted to a grand total of \$37,000,000,000, in round figures, and that cotton has accounted for \$35,000,000,000 of this total. In other words, cotton, had it the privilege of speaking to you today, as it is attempting to do for a few moments through my poor lips and tongue, could tell you a moving story of what it has meant to this Nation and of how it has enriched the rest of the Nation by the favorable trade balance which it has brought to this country.

Let me give you a few facts with respect to the challenge which cotton presents in the national picture today. The income from cotton last year was only \$200 per cotton farmer, and this, in many cases, means the total income for the whole family. This fall, in the present marketing season, we are getting less for 18,500,000 bales than we received a year ago for 13,400,000. In one county in Alabama where a survey was made, 5 percent of the population of that county are engaged in work in the cotton-textile mills of the county, and this 5 percent received more in wages than the total farm income of the county, although more than half of its population are farmers. These facts tell something of the tragic need. We are met to answer such challenges.

Our Committee on Agriculture is a great committee. I am not saying this in an attempt to curry favor with the distinguished, erudite, and able chairman and his strong associates. I say here, to your faces, what I have said to your backs. There is no more patriotic, studious, or intellectually competent group in this House than the committee which reported this bill. [Applause.] That committee has set forth the philosophy of this bill with respect to cotton on pages 55 and 56. I will not take time to read these provisions, but the motif is that excessive surpluses must be reduced, that to allow violent fluctuation in prices is utterly disastrous, and that—

The continuously operative provisions of this part are necessary in order to minimize recurring surpluses and fluctuations in the supplies of cotton; to provide for the maintenance of adequate reserve supplies and further the orderly marketing of cotton; and to maintain a fair balance between the incomes of farmers and the incomes of individuals other than farmers.

I challenge you to read these two pages, in which are set forth the philosophy of this bill, and then tell me why the provisions of this bill, which they say are necessary, are not made applicable to the cotton crop of 1938? Why do they postpone these blessings until the cotton crop of 1939 or 1940?

If it is a good bill, if the philosophy set forth here is sound, then why must we wait until 1939, knocking at the door of Congress' promises as stated in the resolution we passed last August? Why must we wait in the face of the clarion call to this duty? Why must we wait when the philosophy of the bill as set forth in the bill itself speaks in such positive words of the necessity? Must we pile Pelion on Ossa, surplus on surplus?

Mr. ZIMMERMAN. Mr. Chairman, will the gentleman yield?

Mr. HOBBES. I am pleased to yield to the gentleman from Missouri.

Mr. ZIMMERMAN. If they do not make the bill applicable to the crop of 1938, why not put off this legislation to a subsequent term of Congress?

Mr. HOBBES. I think the gentleman is exactly right, and I appreciate the suggestion. The thought advanced by the distinguished Missourian [Mr. ZIMMERMAN] is absolutely true and unanswerable. Why legislate at a special session called because of the need of haste, and then postpone the time when the act will become effective 2 years?

Why must we wait, in the face of the fact we now have a staggering carry-over of 11,000,000 bales, and as I pointed out the other day, every million bales of carry-over means the hammering down of the price, inexorably, by 1 cent per pound. You can trace it through all history and you will find it runs true and the rule is right, that every million bales of carry-over of cotton means a difference of 1 cent per pound in price.

Cotton begs fair and equal treatment with that accorded her sister commodities. If there be balm in this Gilead, she asks that it be applied to her wounds now. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this particular amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, I appreciate the generous words of my friend and I wish I could agree with his amendment, but there is more in this bill, as I have tried to explain repeatedly, than the marketing quota provisions. They are only to be used in extreme cases. We have the provision for increasing exports, having wider distribution at home, we change to the acreage basis, and we have a number of other vital changes in the soil-conservation program that are all a part of this bill.

Here is an interesting thing. I hope quotas will have to be used rarely. I hope the other provisions, by taking care of exports, will probably enable them to use it rarely. As a matter of fact, if you enforce the quotas at once, you avoid the opportunity to see whether the other provisions will work.

Another interesting thing is the fact that more people will come into the soil-conservation program when the price is low than when it is high. The Department states that with the soil payments, plus the subsidy payments, plus the loan provisions, they believe that a quota on cotton is unnecessary this year. They have made this statement, and for this reason I hope the gentleman's amendment will not be adopted.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I hope the gentleman will pardon me, as there are some other things I want to discuss.

I want to talk a few minutes to the House about some other matters. Some criticism has come of what they call the compulsory program. I do not regard it as such. As a matter of fact, the problem here is only a method of financing. If we had a billion dollars to make the soil payments and to handle the marketing we would not need any marketing quota at all. But we do not have that much money and we cannot get that much money.

They had toll roads when this country first started out. In order to finance roads they had toll bridges, and we have some of them to this day. It is better to have them than to stay in the mud. This is not a compulsory program, it contains a small penalty to regulate the flow of commerce. There is not any production control in this bill.

If you will read the Jones-Laughlin Steel case you will see it is fashioned after the discussion in that case. This is a control of the marketing of the surplus, just like business is in a position to control the marketing of its surplus.

The little tax involved does not take away any liberty. We levy a tax on gasoline to pay for the cost of a road. Why does not that take away the liberty of the traveler? Why not give him back his liberty and let him drive in the mud up to the axles? How foolish it is to say that you can only have liberty by staying knee deep in the mud, and that if a group of men are willing to market their commodity in an orderly fashion in order to get something for their commodity, and still protect the consumer, they should not be permitted to do it. Why is a small tax in the interest of liberty and progress for one group of people and not another? Why give the cotton farmer liberty to remain in poverty and the women to pick cotton in the fields at a wrecking and ruinous price? The idea of prating about liberty in the presence of cotton history when we had no cotton program is an absurdity. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The question was taken; and on a division (demanded by Mr. HOBBS) there were—ayes 29, noes 60.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Texas has a committee amendment at the desk. Does he desire to have that offered now?

Mr. JONES. Yes.

The CHAIRMAN. The gentleman from Texas offers a committee amendment, which the Clerk will report.

Mr. JONES. Mr. Chairman, this amendment was read yesterday, and I think I can explain what it includes without taking the time to read it now. I ask unanimous consent that the reading of the amendment be waived and that it be printed in the RECORD.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the reading be dispensed with. Is there objection?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. JONES: Page 60, strike out, beginning with line 14, down through line 3, on page 62, and insert the following:

"(b) Ninety-five percent of the State acreage allotment shall be apportioned annually by the Secretary to the counties and minor civil subdivisions thereof in the States. The apportionment to the counties or civil subdivisions shall be made on the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the State allotment is apportioned (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such 5-year period. The allotment to any county or minor civil subdivision shall be apportioned annually by the Secretary, through the local committee, among the farms within the county or subdivision on which cotton has been planted at least once during the 5 years immediately preceding the year for which the allotment is made, so that the allotment of each farm shall be a prescribed percentage of the average (during such 5-year period) of the tilled acres of the farm, which percentage shall be the same for all farms in the county or subdivision. The allotment to any farm on which cotton has been planted during not more than 2 of such years shall be one-half of that which would otherwise be made. The allotment to any farm on which cotton has been planted during 3 of such years shall be three-quarters, and if planted during 4 of such years shall be four-fifths of the farm allotment which would otherwise be made.

"(c) Two and one-half percent of the State acreage allotment shall be apportioned to farms in such State which were not used for cotton production during any of the 5 calendar years immediately preceding the year for which the allotment is made, on the basis of land, labor, and equipment available for the produc-

tion of cotton, crop-rotation practices, and the soil and other physical facilities affecting the production of cotton.

"(d) Two and one-half percent of the State acreage allotment (plus any amount of the State acreage allotment not apportioned pursuant to subsection (c)) shall be apportioned in such State to farms operated by owners, tenants, or sharecroppers to which an allotment of not exceeding 15 acres has been made under the apportionment of the allotment to the county or subdivision. Such additional allotment shall be made upon such basis as the Secretary deems fair and equitable.

"(e) In determining allotments to farms under subsections (b), (c), and (d) the Secretary shall also take into consideration the acreage diverted under previous agricultural adjustment and conservation programs and the acreage on the farm devoted during such 5-year period to the production of any one or more of the following soil-depleting commodities: Tobacco, wheat, field corn, and rice. In determining allotments under this section to farms on which during such 5-year period the cash income from cash crops other than cotton was greater than the cash income from cotton and cottonseed, the allotment that would otherwise be made shall be appropriately reduced according to ratios fixed by the Secretary representing the current relative values per acre or per unit of cotton and such other commodities. In making such adjustment due consideration shall be given to current trends in the uses to which the farm is devoted. Notwithstanding any other provision of this section, the acreage allotment apportioned to any farm under this section shall not exceed 60 percent of the tilled acres thereon."

Mr. JONES. Mr. Chairman, this amendment simply makes this particular title conform to the amendments that were adopted the other day by the Committee of the Whole on the general subject of cotton under the amendments to the Soil Conservation Act. The amendment relates to marketing quotas, and those other amendments to soil conservation. They should be in harmony. There is this difference between the amendment adopted and the amendment I propose. We do not include herein the Ford amendment. As I understand it, the gentleman from Mississippi [Mr. FORD] will offer his amendment that was adopted yesterday as an amendment to this amendment, to make it conform. We have made this change. One of the chief criticisms which he urged for the adoption of his amendment was that the Secretary might group a bunch of counties, and thus favoritism would be shown. We have eliminated that by saying that the State allotment shall be allotted according to the prescribed formula to the counties and the minor subdivisions thereof, in order to take care of the very few counties where there are entirely different types of crops within the county. I do not particularly care about the minor subdivisions, but I put that in because of the criticism offered and because there are a few counties where they really need to administer a part of the county one way and a part of the county another.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield for a question.

Mr. RANKIN. I ask the gentleman whether he would be willing to change that 95 percent to 85 percent or 90 percent. Unless we adopt the Ford amendment or some modification of the Ford amendment, I see no other way to protect these small counties, especially in the hill sections, unless that is done.

Mr. JONES. I hope the gentleman will not make an argument. I am willing to have him present that phase of it. I think, if the gentleman succeeds in this amendment, he will be utterly disappointed in its administration. I think one of the chief elements in the success of the program has been the fact that we have local committees selected by the farmers themselves, who are given the authority to make the distribution of allotments. If the gentleman will read this carefully, he will find that we do away with some of the inequities that arose before by putting allotments on a tilled acreage basis, so that the farm will get its proper division on the tilled acreage basis regardless of production, so that the local committee, familiar with all conditions, can apportion it within the county—those committees selected by the farmers every year. That is an ideal way, and while, of course, there are some inequities and some disappointments, I think it will be far less than if the farmer had to go to the Secretary of Agriculture to get any small change or correction.



Mr. FULMER. The gentleman the other day complained about this operating against the farmers who had diversified. As a matter of fact, under the tilled acreage basis, the farmer would get his just due with every other farmer because it is on that basis instead of on a balage basis.

Mr. JONES. I am sure it would, but I think if gentlemen will read this amendment carefully they will find that this form of amendment takes care of all that needs to be accomplished by the Ford amendment. I wish he were willing to accept and make the other change to fit. That is within his province. Let the Members read and study the provisions where the tilled acreage basis controls. Then we also take into consideration adjustments under previous programs, so it seems to me that we have an ideal arrangement for taking care of the situation and avoiding as many as possible of the administrative difficulties.

Mr. FORD of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. FORD of Mississippi. As the bill was written it was left to counties and administrative areas, and in the amendment the gentleman proposes he leaves it to counties and minor civil subdivisions.

Mr. JONES. Yes.

Mr. FORD of Mississippi. In my own State each county has five minor civil subdivisions. Therefore, under the power granted to the Secretary in the gentleman's proposed amendment, the Secretary would have power to go in and set up five different arrangements in one single county. That was one of the things that I tried to correct.

Mr. JONES. If the gentleman will read his speech the other day, he will find that he was complaining about the grouping of counties. Of course the Secretary is never going into any of these counties. They really take the recommendation of the local committees, and in a very, very few of the counties do they use the minor subdivisions. There are some places where there are townships. There is no abuse of dividing the counties. If the gentleman will check up on the facts, he will find that they have divided very few of the counties, except where they use the township method of local government.

I am perfectly willing, if the gentleman feels it is necessary, to put a provision in here that the minor subdivisions shall be used only in cases where it is found to be necessary in the proper administration of the act.

The CHAIRMAN. The time of the gentleman from Texas [Mr. JONES] has expired.

The Chair observes there is an amendment pending to the committee amendment, offered by the gentleman from Georgia [Mr. PACE]. The Chair therefore recognizes the gentleman from Georgia [Mr. PACE].

Mr. JONES. Mr. Chairman, there is an error in the RECORD. It reads that this amendment is offered at line 16. It should be line 14.

The CHAIRMAN. The Chair understands it was reported correctly.

The gentleman from Georgia [Mr. PACE] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. PACE: Strike out the following portion of paragraph (e) of the committee amendment:

"In determining allotments under this section to farms on which during such 5-year periods the cash income from cash crops other than cotton was greater than the cash income from cotton and cottonseed, the allotment that would otherwise be made shall be appropriately reduced according to ratios fixed by the Secretary representing the current relative values per acre or per unit of cotton and such other commodities. In making such adjustment due consideration shall be given to current trends in the uses to which the farm is devoted."

Mr. PACE. Mr. Chairman, there is a general rule for the allotment of acreage under this bill, as has been described by the chairman of the committee. In addition to that, this provision is offered by the committee, applying only to cotton, to make the allotment also depend upon the cash receipts from all other crops grown on the farm. In determining al-

lotments the bill already provides, in paragraph 3 on page 7, that the Secretary shall also take into consideration the acreage on the farm devoted during the last 5-year period to the production of other soil-depleting commodities. Certainly that should be sufficient authority to the Secretary to carry out the contention of the committee that if a man has a large acreage in one soil-depleting crop he should not have a large acreage in another soil-depleting crop on the same farm. The provision in the committee amendment which my amendment seeks to strike opens up a new field in the method of acreage allotment. In addition to considering, if you please, other soil-depleting crops grown on the farm this committee amendment provides that the Secretary shall ascertain the cash proceeds from all crops grown on the farm. It goes beyond the field of acreage. It goes beyond the field of tilled acreage; but under it the Secretary must ascertain the total cash income of the farmer from all crops. If the cash proceeds from not merely the soil-depleting crops, but from his watermelons, his peaches, his pecans, his asparagus, and other things should total more than the cash proceeds of his cotton and cottonseed, then the cotton acreage is to be appropriately reduced the next year. Mr. Chairman, in substance, this committee amendment means that the cotton farmer is now flat on his back and they intend to keep him there. Why should not the cotton farmer have a right to raise crops other than these so-called soil-depleting crops?

Once in 10 years we make a profit on watermelons, when the crop in Florida fails, but yet under this committee amendment my farmers are told, "Don't you dare plant any other crop, because if you do, then your cotton acreage is going to be reduced the next year." If all his crops—watermelons, pecans, peaches, asparagus, and other products—total more than his income from cotton, then his cotton acreage will be reduced the following year.

Mr. JONES. Mr. Chairman, will the gentleman yield? I think the gentleman is wrong. I am perfectly willing to make that certain. I think it is certain anyway; but if not, I am willing to put "soil depleting" before "cash crops."

Mr. PACE. Certainly that should be in there. But why are you going solely to the cotton crop? The wheat grower can grow all of the other crops he wants to. The rice grower can grow all of the other crops he wants to. There is no limitation on his cash proceeds. He is limited in acreage, but there is no limitation whatever on the cash proceeds from other crops such as the committee amendment would place on cotton farmers.

Yesterday this committee adopted a new system of apportionment of the soil-conservation payments. I do not know whether you realize it or not, but one of the elements that enters into determining the soil-conservation payments that your farmers are going to get is the value of the crops that they grow on the land that is taken out of production of soil-depleting crops. In one word, this committee amendment says, "Don't you plant any other crops, for if your cash proceeds from other crops are more than from cotton, your cotton acreage will be reduced." And in another place the bill says, "You had better plant your diverted acreage to other cash crops, for if you don't your soil-conservation payments will be reduced."

This committee amendment would limit the income of the cotton farmer or else run him entirely out of cotton farming. If he tried to make some money out of other crops, it would gradually reduce his allotment of acreage for cotton, and this process would continue until he would have no cotton acreage left. It was never intended that a farm bill should hold a farmer down and limit his income. Instead, it was my understanding that we would try to help the farmer, make it possible for him to increase his income, put him on an equality with other industries and wage earners, and give him some benefits and protection to offset the burden he has been bearing under our tariff laws, which compel him to buy his necessities under a high protective market and then sell the fruits of his labor in an unprotected or world market.



This committee amendment also reverses the policy as to diversification. For years the Department of Agriculture has been teaching our farmers to diversify, to plant something else other than cotton and corn; and now this committee amendment would punish them if they should diversify to the extent where the proceeds from these other crops would total more than their cotton.

I further object to this committee amendment because it would not only permit but would require the agents and investigators of the Secretary of Agriculture to go to every farmer's home in the Cotton Belt and demand an itemized statement from him as to every item sold off the farm during the year. It would require an examination of bank accounts, warehouse records, and would require every farmer to keep a complete set of books and records. It would require the employment of thousands of investigators, accountants, and clerks. Candidly, I do not believe it would be possible to enforce it.

It is unfair, unreasonable, impossible, and starts a system of Federal control and enforcement that is contrary to the American system of government.

Mr. CELLER. Mr. Chairman, I move to strike out the last word. I am not an expert on farm problems. Yet, while listening attentively to much of the debate, certain conclusions crowd for utterance. I cannot help thinking that a provision we inserted in the old McNary-Haugen bill in the early twenties, should be in the instant bill. I refer specifically to the matter of our exportable surplus. We should pay a bounty to farmers who guarantee that their cotton, for example, will be exported. This would tend to increase our exports. It would stimulate world consumption of raw cotton. I voted for a similar provision in the old McNary-Haugen bill. My very esteemed friend, Samuel C. Lamport, president of the Lamport Manufacturing Supply Co., summed up the matter beautifully when he stated as follows:

The cotton export situation as it now stands is the darkest we have ever seen. Not alone is our market dwindling, but it looks as though as years go on what with constant seepage and loss of contacts with foreign consumers, our share in world cotton consumption will fade into insignificance along with our textile exports.

It seems cruel to me to keep killing crops. It appears to me to be a policy of defeatism. You can never run counter to nature without reprisals. I am inclined to oppose curtailment of production. I am inclined to oppose bounties for curtailment and destruction of crops. I believe it is more expensive in the long run than to provide for bounties on exports.

Killing crops has some very disastrous consequences. It means unemployed farm labor with a consequent increase in relief disbursements. I say also to the Members of the Southland that when you cut down the cotton crop, you may seriously dislocate the economic condition of the South. You may have some immediate benefits, but ultimately it will result in great harm. You will reap the whirlwind.

In the past we spent about \$135,000,000 for a contemplated elimination of 2,000,000 bales of cotton. According to the figures given me this means \$67.50 per bale. But that does not tell the entire story. When you grow cotton, and gin it, and pick it, and transport it, you bring into the community that raises cotton a considerable amount of revenue. Servicing of that cotton in all respects, I am told by the American Cotton Shippers' Association, is valued at \$18.75 per bale. Add \$18.75 to \$67.50 per bale, the cost of "killing" a bale of cotton, and you have the sum of \$86.25 as the total penalty. In other words, in "killing" a bale of cotton you impose a penalty of \$86.25. You take away from the local community ginning, picking, shipping, carting, baling, selling, and often manufacturing the amount of cotton thus "killed." You hurt American labor; and, frankly, I am blessed if I can see what good comes of it all. The price paid is terrific. The restrictions will cost more and more as time goes on. The domestic price increases because you curtail the supply, and we, particularly, the denizens of the city, "pay the piper." More particularly, however, although the whole country pays \$67.50

per bale, the Southland must pay an additional \$18.75. It strikes me that when you curtail crops in this fashion—when you "kill" cotton in this way—you turn Nature's blessing into a curse.

What would the export bounty involve? I am informed that the export bounty on raw cotton—that is, on cotton ginned for export purposes—might well be \$20 per bale, or 4 cents for each pound and \$20 for each bale of 500 pounds. There might be involved in such exports of cotton about 8,000,000 bales. This would mean \$160,000,000. In other words, the Nation would have to defray the cost of \$160,000,000 for the export bounty on cotton. This sum could be returned through processing taxes. But this is far cheaper than the cost of destroying cotton as provided for in the instant bill.

I have the highest regard for Secretary of Agriculture Wallace, who apparently wants the bill under discussion. I am sure that deep down in his heart he would not oppose an export bounty. Someone pointed out that if this bill were to pass the Secretary would be a virtual Santa Claus; he would have at his disposal millions to give to the farmer. I am sure that in such case he will distribute the money fairly and equitably. Nevertheless, I hate like the mischief to see such a vast sum of money placed in the hands of anyone, even if he be so fine a gentleman and so fine an official as Secretary Wallace. Under the provisions of this bill Brother Wallace would make himself one of the most powerful men in the country. It might be in line with his laudable Presidential ambitions. Frankly, his frequencies on the radio leads me to believe that he would like to wear the mantle of office when that is laid down by President Roosevelt. If such be the case, more power to him. It is well to know, however, these facts. It is well that Congress make the appropriate inferences from these facts.

I am pleased to insert a letter at this juncture sent by my friend, Samuel C. Lamport, to the distinguished chairman of the Agricultural Committee, our colleague, Mr. MARVIN JONES:

DECEMBER 1, 1937.

HON. MARVIN JONES,  
Washington, D. C.

MY DEAR CONGRESSMAN: Since last seeing you I have had time to reflect further on the farm bill.

I am forced to the conclusion that a mere continuance of the restrictions, inhibitions, prohibitions, regulations, penalties, quotas, and whatnots that the farm bill abounds in is steering American agriculture, particularly as it affects cotton, into a blind alley.

All of us in the textile industry, especially exporters, have been eagerly and anxiously looking forward to this bill. We had hoped that something constructive and worth while might be projected in this new legislation. The fact is that the Senate bill does not even give the export business a decent funeral. You know that all of these negative stopgap experiments that we have been conducting have brought us to the disastrous condition that we are now in. You no doubt realize that after 4 years of these hypodermics that the whole industry finds itself with a lower blood count and very little sign of returning life. We are facing something worse than depression; the present situation looks like paralysis.

It is therefore a pity that in this new bill no provision of any nature whatsoever has been made for the expansion of markets or for the stimulation of uses of cotton, or for getting out of reverse gear and going into first in order to go forward. We can never back into a successful farm program by confining ourselves to the plan that this bill indicates. If Senator CONNALLY is right that the farmer is really sick and needs a prescription, he may die of the improvements that this bill prescribes.

I am all the more convinced therefore that the plan Bill Vereen and I suggested to you is logical, sound, and urgent. We ought to implement at once a program that will enable the industry to cure itself. In the plan that we have proposed we suggest participation on the part of the cotton processing industry in making available a fund that will enable both the American cotton farmer to develop his market and the American cotton manufacturer to find new users for his product and at the same time enable the American exporter of both cotton and goods to distribute these products where they can be gainfully used throughout the world. That is not a stopgap and that is not a hypodermic. That is a positive cure and that is what we have got to prescribe.

No fair-minded, clear-thinking cotton manufacturer could resent being asked to participate in a program of constructive, useful development of his business. I realize that the problem that confronts you in Budget balancing is urgent, and because of that I suggest that the textile industry be mobilized for a logical enterprise of expansion and development that will enroll everybody in the industry in this service. A modest tax of 2 cents per pound on the processing of cotton would in no way be hurtful to



them, would in no way impede the distribution of goods, but could be of tremendous value in establishing an aggressive, earnest program of expansion that will be of lasting value to all.

The opportunity for doing this great service to the country and to our industry is at hand now in this farm bill. It is my sincere hope that you will find it possible to be helpful to us in this constructive and worth-while endeavor, and that an amendment in the farm bill be brought up immediately for the implementing of this program of expansion.

With all good wishes, I am,

Faithfully yours,

SAMUEL C. LAMPORT.

Despite these criticisms that I have to offer, in view of my being a strong supporter of the administration, I am going to vote for the bill. A half a loaf is better than none. I am not like Achilles, sulking in my tent if I cannot get what I want.

Mr. FULMER. Mr. Chairman, the gentleman from Georgia [Mr. PACE] made a very beautiful speech for the people down in south Georgia.

I want to say, Mr. Chairman, that the gentleman is a distinguished lawyer, but, like so many other Members who get up here and talk about certain things that would wreck their own State or section, that they would not advocate if they knew more about the whole purpose of the bill. Now, here is what the gentleman wants to do: Down in south Georgia the main crops, as I understand, are peanuts and hogs, perhaps largely because the soil is not so well fitted for cotton as soil in other counties in the State of Georgia. In other words, cotton is not his major crop. However, he would have you take away from the actual cotton counties of your States and Georgia and give to those farmers that are producing other crops as their major or cash crops, just as much cotton acreage as you would give to anybody else whose major crop is cotton. Now, if the major cash crop in his district is cotton, his farmers will receive their full percentage of cotton acreage in line with any other cotton farmers in the various counties in his district.

My amendment adopted the other day simply stated that if the annual income from sugarcane, if you please, down in Louisiana, where they also plant cotton, or from any other cash crop or crops, amounts to more than the income from cotton and cottonseed, then these farmers would not receive as much cotton acreage as a real cotton producer.

I hope, Mr. Chairman, we shall vote down this amendment, which is absolutely unfair to many counties in his State and unfair to South Carolina, where in the southern part of my State they grow white potatoes, vegetables, and other things to the extent of making up 90 percent of their income, but if they have a few acres of cotton on any of these farms, then under this amendment you give them 30 or 40 percent of their total tilled acreage for cotton that they might take away from other farmers of the county. This would be absolutely unfair to the other counties and to real cotton farmers, large and small.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. PACE. I wish to correct the gentleman by saying that I do not believe that there is a greater cotton producing area in the South than in my own district.

Mr. FULMER. If that be true, then the gentleman better keep his seat and not worry about his farmers being taken care of under the bill as written.

Mr. PACE. I am worrying because we have been teaching our people for years to diversify, and I do not want them to be penalized because of that diversification.

Mr. FULMER. Absolutely. I was the man who put that in the bill so as to protect the farmer who has been diversifying, that is, it should be on a tilled acreage basis, and those farmers will get more than they have ever got under any other cotton program. I hope the amendment will be voted down.

The CHAIRMAN. The time of the gentleman from South Carolina has expired. All time has expired.

The question is on the amendment offered by the gentleman from Georgia to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. PACE rose.

Mr. JONES. Mr. Chairman, the gentleman from Georgia desires to offer the corrective amendment I suggested a while ago. It is agreeable to the committee. I am wondering if the gentleman from Georgia could not be allowed to offer his amendment, which is to insert the phrase "soil depleting" before the phrase "cash crops."

The CHAIRMAN. The Clerk will report the amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. PACE to the committee amendment: In line 8 of subsection (e) after the word "form", insert the words "soil depleting."

The CHAIRMAN. The question is on the amendment to the committee amendment.

Mr. RANKIN. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair feels that he should make a statement. This is the seventh day of consideration of this bill. The Chair so far has failed to invoke a single rule of the House in reference to debate, because the Chair realized that Members should have opportunity widely to discuss it. There are now pending at the desk approximately 15 amendments to this section. Unless we now proceed in an orderly way—that is, to dispose of the amendments offered to the committee amendments—we shall have utter confusion. The Chair, therefore, asks the gentleman from Mississippi to withhold his request until the amendments to the committee amendments have been disposed of, at which time the Chair will recognize the gentleman from Mississippi.

Mr. RANKIN. Mr. Chairman, I have some amendments to offer at the proper time, but I certainly do not want any worse confusion than we have. I withdraw my request.

The CHAIRMAN. Has the gentleman from Mississippi an amendment to the committee amendment?

Mr. RANKIN. Mr. Chairman, I have some amendments to the committee amendment, and one is to the first line of the committee amendment.

The CHAIRMAN. After this is disposed of the Chair will recognize the gentleman from Mississippi.

Mr. RANKIN. I do not want to take the gentleman from Mississippi [Mr. FORD] off his feet.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia to the committee amendment.

The amendment to the committee amendment was agreed to.

The CHAIRMAN. The gentleman from Mississippi [Mr. FORD] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. FORD of Mississippi to the amendment offered by Mr. JONES: Beginning with the first line of the amendment offered by Mr. JONES, strike out the following:

"(b) Ninety-five percent of the State acreage allotment shall be apportioned annually by the Secretary to the counties and minor civil subdivisions thereof in the States. The apportionment to the counties or civil subdivisions shall be made on the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the State allotment is apportioned (plus, in applicable years, the acreage diverted under previous agricultural adjustment and conservation programs), with adjustments for abnormal weather conditions and trends in acreage during such 5-year period. The allotment to any county or minor civil subdivision shall be apportioned annually by the Secretary, through the local committee, among the farms within the county or subdivision on which cotton has been planted at least once during the 5 years immediately preceding the year for which the allotment is made, so that the allotment of each farm shall be a prescribed percentage of the average (during such 5-year period) of the tilled acres of the farm, which percentage shall be the same for all farms in the county or subdivision", and insert in lieu thereof the following:

"(b) Ninety-five percent of the State acreage allotment shall be apportioned annually by the Secretary among the farms within the State on which cotton has been planted at least once during the 5 years immediately preceding the year for which the allotment is made, so that the allotment of each farm shall be a prescribed percentage of the average (during such 5-year period) of the tilled acres of the farm, which percentage shall be the same for all farms in the State."



Mr. FORD of Mississippi. Mr. Chairman, the amendment which I have offered to the Committee amendment offered by the gentleman from Texas [Mr. JONES], applies to the individual farm allotments under the marketing quota provisions of the bill and is similar in all respects to the amendment adopted by this committee to the soil conservation provisions of the bill found on page 6. It does not apply to any commodity except cotton. The amendment does not affect State quotas or State allotments. If adopted and the marketing quotas go into effect, it will be mandatory on the Secretary of Agriculture and the local committees to give the same percentage of tilled acres to every cotton producer in the State.

Under all previous agricultural programs great injustices have existed. In some sections of our State we have seen the large plantation owners favored and actually paid bounties out of the Federal Treasury when, as a matter of fact, it was the intention of the Congress to help the poor farmer who was trying to earn his living growing and producing crops on his own farm. I hope the Members of the House will secure a copy of Senate Document No. 274 of the Seventy-fourth Congress and look on page 34 and subsequent pages of that document and there observe the tremendous benefits the Federal Treasury has poured into the laps of those large farmers.

May I call the attention of the Members to one particular concern producing cotton in my State. According to the Senate document in 1933 this particular concern was paid \$114,840 for complying with the 1933 crop plow-up program. The same concern in 1934, according to page 47 of this document, was paid \$102,408.35. In 1935, according to page 55 of this document, we find that that same concern was paid \$100,039.52. In 1936, according to a release of May 20, 1937, issued by the Department of Agriculture this same concern has received out of the Federal Treasury, that you and I are trying to protect, the sum of \$60,388.06, and the Lord only knows how much more it will get out of the Federal Treasury for the year 1936. So far I have been unable to ascertain what this concern expects to receive for the year 1937.

If these large farmers want compulsory control, as some have indicated, then let us put them on an equality with the small landowner and farmer and let us say to them: "You will be reduced in proportion to the amount of acreage you own just as we reduce the small farmer who is your neighbor or who may reside in another county."

Mr. Chairman, if the committee agrees to the amendment proposed by the gentleman from Texas [Mr. JONES], without my amendment, it would give the Secretary of Agriculture the authority to set up five different civil subdivisions in every county in my home State and probably the same situation would prevail in most of the cotton States represented by my colleagues from the cotton section. The Secretary could under the Jones amendment favor one supervisor's district over another supervisor's district in the same county. The thing I am trying to do, with all of the sincerity and energy I possess, is to insure equality to the small and large alike and to make it mandatory that they be given the same treatment in any acreage reduction program. I thank my colleagues for supporting my amendment to the soil-conservation provisions of the bill on page 6, and which insures equality in soil benefit payments, and I hope you will support the amendment which is now before you for consideration. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, in order to obviate any question I inserted the words "and minor civil subdivisions" at the gentleman's suggestion. I would like to modify my amendment by striking out the term "and minor civil subdivisions" or all terms "civil subdivision" or "minor subdivisions" wherever they occur in the amendment and that will confine it strictly to counties.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES to the committee amendment: Strike out in the committee amendment wherever they appear the words "minor civil subdivisions" or "civil subdivisions."

The amendment to the committee amendment was agreed to.

Mr. COOLEY. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Mississippi [Mr. FORD], and I would like to ask the gentleman a few questions with reference to the amendment he has offered. I would like to know whether or not the effect of his amendment is to do away with the use of local committees in the administration of the bill?

Mr. FORD of Mississippi. It is not. It leaves the local committee with the privilege of carrying out the administration of the act, but it makes it mandatory that the Secretary shall deal with equality among the farmers in a State on a tilled acreage basis.

Mr. COOLEY. Under the gentleman's amendment the local committee would have no voice in making the allotment to the farmers in a particular county or area?

Mr. FORD of Mississippi. Except as directed by the Secretary under a mandatory provision, if my amendment is agreed to.

Mr. COOLEY. If I understand it correctly, that means centralization of the farm program. It means concentration of power in the hands of the Secretary of Agriculture to administer the act through a State committee without regard to the cotton history in any particular county or locality.

Mr. WHITTINGTON. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. WHITTINGTON. With deference to the statement of my colleague from Mississippi [Mr. FORD] I call attention to the fact that his amendment leaves out the words "local committee." The amendment to section 2 previously proposed by him and agreed to the other day left out the words "local committee." There is no provision for a local committee anywhere in the amendment adopted and proposed by him the other day and there is no provision for a local committee in his present amendment because the words "local committee" do not appear in his amendment. The gentleman from North Carolina is therefore correct. The local committee will be abolished if the amendment proposed by my colleague [Mr. FORD] is agreed to.

Mr. SOUTH. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. SOUTH. Is it not a fact that the local committee has not authority now except that authority given him by the Secretary of Agriculture and the gentleman's amendment will in no wise affect that authority?

Mr. COOLEY. I do not so understand. I think the local committee will perform a very vital and important function in making allotments to the particular farms.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. SOUTH. The committee must perform that function in keeping with instructions received by the Secretary of Agriculture.

Mr. COOLEY. There is a definite yardstick in the bill which will govern the Secretary, and likewise the local committees, in making the allotments.

Mr. WHITTINGTON. If the gentleman will yield, I call attention to the language of the amendment of the gentleman from Texas [Mr. JONES]:

The allotment shall be apportioned by the Secretary through the local committee.

Mr. COOLEY. Through local committees; that is correct.

Mr. WHITTINGTON. He has incorporated the language quoted in his amendment.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Mississippi.

Mr. RANKIN. The sum total of the Ford amendment is simply this, that it apportions the crop on a percentage of the acreage in cultivation in all counties.

Mr. COOLEY. Without regard, if I may interpose, to the cotton history in the particular county.



Mr. RANKIN. No; that is the trouble. The farmers in some counties would not diversify. We want them to diversify as do the farmers in the counties which have diversified.

Mr. COOLEY. Does not the gentleman understand that under the provision all of the lands heretofore diverted under former programs are taken into consideration in making these allotments?

Mr. RANKIN. Yes; and it was wrong and made a failure, invariably, to do justice. Therefore we want to do justice to all these farmers.

Mr. COOLEY. I submit the effect of this amendment is to centralize power in the hands of a State committee. An individual farmer who is dissatisfied with his allotment will not have the privilege of going to the local committee right there in his own neighborhood and having the matter adjusted, but will probably end up at the State college or somewhere else, talking to a committee, who will in turn refer him to the Secretary of Agriculture in Washington. This is just what I object to in the Ford amendment.

Mr. MAHON of Texas. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I am sorry, I cannot yield now.

The Committee on Agriculture has given this bill serious consideration. I do not come from a large cotton producing State, but certainly the distinguished gentleman from Texas [Mr. JONES], represents a great cotton State. No man has worked more diligently than he has, and also the ranking Member of the committee the gentleman from South Carolina [Mr. FULMER], who certainly comes from a cotton-producing State. I do not believe any man in this House has the cotton farmer, and particularly the little man, more at heart than my good friend, the gentleman from South Carolina. Can it be that other Members of the House who have not given this matter the same careful consideration these gentlemen have given it will undertake to write a cotton bill here on the floor of the House and disregard the provisions written into the bill by these able and distinguished gentlemen, who know what they are doing? I hope not.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I am a great admirer of my good friend the gentleman from Mississippi, Mr. RANKIN, and the gentleman from Mississippi, Mr. FORD, is one of the outstanding Members of the House; but here is the trouble with both of these gentlemen, and especially Mr. FORD: They happen to have in Mississippi what is known as the Delta section, where they produce a bale of cotton per acre or more, and it is true that under the past administration of the cotton program farmers in this section were permitted to plant 80 and 90 percent of their tilled soil and were paid large benefits, even up to and over \$100,000. However, this bill corrects that type of administration in that we have a definite yardstick in the bill. In other words, instead of the Secretary, or those operating under him, going into the cotton States and counties and bartering with the various farmers, giving to those farmers who have been responsible for a large acreage and the overproducing of cotton an extra large acreage and penalizing small farmers and those farmers who have been diversifying, as stated, he will have to give to each of these farmers a definite acreage percentage of the tilled lands on each farm, which would be the same in each county.

Now, what would happen if you take the State as a unit instead of the county? There are certain counties in Mississippi and in every other cotton State that have not any real cotton-growing soil. They can, perhaps, grow various other types of crops; for instance, one section of Mississippi, where they have a lime type of soil, has a great dairy business.

But Mr. FORD, under his amendment, would want to take away from any real cotton-growing county and any other county that may have an average or good cotton type of soil, and where they have been continuously growing cotton, certain acreage and give it to some other county which would not be entitled to same.

The county unit would take care of all of the cotton farmers who have been growing cotton during the 5-year period, or even one or more years during the 5-year period, on a fair basis and on an equitable acreage basis in each county, unless their major crops were other than cotton.

The gentleman stated that those in charge could take from one county under the county unit and give to another county. May I state to the gentleman that if the bill remains like it is written, taking the county for the unit and for the distribution of the acreage according to an equitable allotment to each county within the State, this cannot be done; but if you take the State for the unit, then it would be possible to go back to the old method of making unfair allotments of acres.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. JONES. May I suggest to the gentleman and ask him if it is not true that if the Ford amendment were adopted, it would make everybody go to the State capital to get a change in allotment. The big man could afford to go to the capital, while the little fellow, whom we are trying to protect, could not afford to go to the capital. Therefore, his amendment would inure to the benefit of the big man, if it had any effect.

Mr. FULMER. Yes, and not only that; but, where they have counties within the State with a small production per acre, under the gentleman's amendment, it would tend to cut the acreage in this type of county, where they really need the largest acreage they can possibly get. In that we permit all cooperating farmers to sell all that they can produce on their allotted acreage, certainly in counties, where they have a small average production per acre, which, as stated, would give them a larger acreage, they would then be privileged to do everything possible to increase their production, in that they could sell same, without any penalty whatsoever.

The amendment of the gentleman from Mississippi [Mr. FORD], will not do just what he has in mind, and, on the other hand, it will deal very unfairly to many counties, and many farmers in the cotton States, and I am hoping that the amendment will be voted down. [Applause.]

Mr. JONES and Mr. WHITTINGTON rose.

Mr. JONES. Mr. Chairman, I invoke the rule and ask for a vote on this amendment. We cannot stay here all winter.

The CHAIRMAN. The gentleman from Texas makes the point of order that all time has expired on this amendment. The Chair sustains the point of order.

Mr. WHITTINGTON. Mr. Chairman, I move to strike out the last word.

Mr. JONES. Mr. Chairman, I ask for a vote on the amendment.

The CHAIRMAN. In view of the point of order made by the gentleman from Texas, the Chair cannot recognize the gentleman from Mississippi [Mr. WHITTINGTON].

Mr. WHITTINGTON. Mr. Chairman, I make the point of order that while debate has expired on the amendment, debate on the pro forma amendment has not been started and has not expired, and I would like to be recognized for 5 minutes.

Mr. JONES. Debate has expired on all the amendments.

The CHAIRMAN. Pro forma amendments are treated as all other amendments, and in view of the point of order made by the gentleman from Texas, the Chair must sustain the point of order. Therefore the question is on the amendment offered by the gentleman from Mississippi [Mr. FORD] to the committee amendment.

The question was taken; and on a division (demanded by Mr. FORD of Mississippi) there were—ayes 29, noes 69.

So the amendment was rejected.

Mr. FISH. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. FISH. I would like to be advised, Mr. Chairman, when it will be in order for a Republican to speak on cotton.

Mr. RANKIN. The gentleman has been here 20 years and has had 20 years to do it.

The CHAIRMAN. Of course, the gentleman from New York does not state a parliamentary inquiry. The present occupant of the chair has certainly given full recognition to all parties in the Chamber during the discussion of this bill and if permitted to do so the Chair will continue to recognize them.

Mr. RANKIN. Mr. Chairman, I offer an amendment to the committee amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. RANKIN to the committee amendment: Strike out "95 percent" and insert "85 percent."

Mr. WHITTINGTON. Mr. Chairman, I rise in opposition to the amendment.

Mr. JONES. Mr. Chairman, will the gentleman yield, not to be taken out of his time?

Mr. WHITTINGTON. Yes.

Mr. JONES. I wonder if we cannot get an agreement as to time on this section.

Mr. RANKIN. I have one other amendment to the Jones amendment.

Mr. JONES. I ask unanimous consent that all debate upon this section and all amendments thereto close in 30 minutes, with the exception of the substitute, the domestic allotment plan, which I understand my colleague [Mr. POAGE] will offer, and as to that debate I wish it to be limited to 20 additional minutes, and, of course, the motion to strike out will have 10 minutes additional. That would make the total hour.

The CHAIRMAN. Does the gentleman mean the section?

Mr. JONES. I mean the part referring to cotton.

Mr. RANKIN. I have one other amendment. Of course, I shall get only 5 minutes on that, but I want 5 minutes.

Mr. JONES. Why not have an agreement that speeches on these various amendments be limited to 3 minutes?

Mr. RANKIN. I do not think that would be fair, because those of us who want time are not on the committee and we have not had much time to discuss the amendments. Three minutes is not long enough.

Mr. ROBSON of Kentucky. Mr. Chairman, I reserve the right to object. I would like to have the opportunity to speak at this time.

Mr. JONES. The gentleman does not want to speak to the cotton provision?

Mr. ROBSON of Kentucky. Yes.

Mr. JONES. We have other provisions in the bill. I would like to get through this cotton provision. I think nearly half the discussion has been on cotton since we started the debate.

The CHAIRMAN. The gentleman from Texas will restate his request.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on part IV and all amendments thereto close in 1 hour; that 30 minutes of that time be used on various amendments; that 20 minutes of that time be allotted to the discussion of the substitute to be offered by my colleague from Texas [Mr. POAGE], and 10 minutes on the motion now pending to strike out the cotton section, by Mr. KLEBERG.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. SUMNERS of Texas. Mr. Chairman, I reserve the right to object for the purpose of making a suggestion to the chairman of the committee, if I may do it without violating orders. My judgment is, if I may express it, that the committee is in some confusion as to this situation now. Under the bill as it came, cotton was allocated on a historical basis. You now propose to allocate on an acreage basis. I do not believe the committee understands that. I think the chairman of the Committee on Agriculture should reserve enough time to make a clear explanation of that.

Mr. ANDRESEN of Minnesota. Mr. Chairman, reserving the right to object, I may say that I have five amendments

to the cotton title that I want to have considered. I would like to speak on them. They are important amendments. One reason I have not offered these amendments up to the present time is that I thought I would let the chairman of the committee dispose of the committee amendments and the arguments he was having on that side before I offered them.

Mr. JONES. Mr. Chairman, I modify my request that the debate on part IV and all amendments thereto be limited to 1 hour and 30 minutes, 55 minutes of that time to be used in a discussion of the various amendments that may be offered; 20 minutes of the time, at the end of discussion of the amendments, to be used in connection with the substitute to be offered by Mr. POAGE; 15 minutes of the time reserved for discussion of the motion to strike out by my colleague from Texas, Mr. KLEBERG.

The CHAIRMAN. Is there objection to the modified request of the gentleman from Texas?

Mr. GEARHART. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Mississippi [Mr. WHITTINGTON] is recognized for 5 minutes.

Mr. WHITTINGTON. Mr. Chairman, with all deference, I believe that the adoption of the amendment proposed by my colleague from Mississippi [Mr. RANKIN] would result in great confusion, and unless, as he very properly says, his amendment were adopted and followed by other legislation, it would leave a void in the cotton allocations.

Under the terms of the bill and under the terms of the amendment offered by the gentleman from Texas [Mr. JONES] 95 percent of the State cotton acreage is allocated among counties, based upon the production in those counties. Under the amendment offered by the gentleman from Mississippi [Mr. RANKIN] only 85 percent would be allocated. There would be 10 percent that would not be allocated to anybody. If it is reserved, the Secretary of Agriculture may allot it to one county or he may allot it to another, and he may not allot it at all. So that there would be acreage that would not be allotted, and there would be worse confusion than we would have had under the adoption of the substitute or the amendment just proposed by my colleague from Mississippi [Mr. FORD] and properly defeated.

Now, Mr. Chairman, much has been said about the large farmer and the small farmer. I ask nothing for the large farmer that is not accorded to the small farmer. Under this bill there is an allocation in every county in the United States by counties. There will not be taken from one county and given to another county a single pound of cotton, a single bushel of wheat, or a single ear of corn.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. Not now. In other words, by the adoption of the amendment proposed by the chairman of the Committee on Agriculture [Mr. JONES] cotton has been placed back in the picture, because the adoption of the Ford amendment the other day created confusion and injustice, and there was no rule or yardstick whatsoever, for allocating cotton among the counties.

Mr. FORD of Mississippi. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. In a moment if I have time I will yield.

Much has been said about a few large payments that have been made to cotton growers. The largest payment to a cotton grower was not made in my district, but, Mr. Chairman, it strikes me that we of the cotton-growing area overlook the fact that where \$10,000 has been paid to a few cotton growers, hundreds of thousands have been paid to sugar growers and many times tens of thousands of dollars have been paid to rice growers; yet Members pick out a few cases where \$10,000 or more was paid to a few cotton growers and say nothing of the larger payments to wheat and sugar growers.

The largest payments under the agricultural programs have not been to cotton growers. The large payments have been made to sugar growers and wheat growers. Tobacco growers in some cases have received large payments and so



have corn-hog growers. They are not confined to any one part of the country. The largest payment to a corn-hog grower was made to a producer in the vicinity of Los Angeles, Calif. One of the largest corn-hog payments was made to a producer in New Jersey. The corn-hog growers of Massachusetts, as I recall, received larger benefits than the corn-hog growers of Iowa.

The gentleman from South Carolina [Mr. FULMER] inadvertently stated in the course of his remarks that under the Agricultural Adjustment Administration 80 to 90 percent of Delta or Mississippi River counties were planted to cotton. I am sure he has confused his figures. In some Mississippi or Delta counties prior to the programs there was such a percentage planted to cotton, but the large growers especially have cooperated and during the past few years have reduced their cotton acreage. The reduction has been from 25 to 35 percent. In the Mississippi Delta, on the average, there is probably less than 60 percent of the tilled acreage planted to cotton.

A grower is not to be condemned because he is large or because he is small. I believe it was fortunate for the cotton growers of the South that Oscar Johnston, the manager of large properties, was available to manage the cotton pool for the benefit of the 2,000,000 cotton growers of the South. The average sharecropper could not have done the job. Because of his large operations and his wide experience he was able to hold his own in selling the cotton of the growers to the ablest business men of the Nation; he could hold his own with McFadden, Anderson & Clayton, and others of the large cotton buyers.

This bill is fair. It leaves the production to the county, and the committee has endeavored to improve upon previous cotton legislation. It recognizes the injustice that has been done. They reserved 5 percent to provide for these inequalities and injustices. Provision has been made for an appeal from the county committee to the court for review. Provisions have been made in a number of ways for the new grower, the man who has just been growing cotton a year or 2 years. In my judgment this amendment by my distinguished colleague [Mr. RANKIN] should be voted down.

I extend my remarks by saying that under the Bankhead Act and under the Agricultural Adjustment and other acts there were injustices; there were discriminations. They were not made because cotton was taken from one county and given to another; they were made within the county. The discriminations and the inequalities obtained in the county. The bill under consideration seeks to remove the inequalities. Committees of review are provided. If the grower is dissatisfied with the allotment of the county committee, he can take an appeal to the court. His rights are safeguarded.

The cotton grower who has diversified during the past 10 years is given better treatment. If he grew cotton 10 years ago and diversified 6 years ago, the facts are given consideration. The new grower, the man who has cleared lands or bought lands in the past 1, 2, or 3 years is given consideration. If the grower has suffered from flood or drought, provision is made to give him consideration. Three bales have been exempted to the small grower. I think this exemption is a mistake in all of the States. In some States there are as many as three cash crops. If a three-bale exemption is made in those States there is a discrimination against the farmers in other States.

I favor the pending amendment by Mr. JONES, the chairman of the Committee on Agriculture, and I opposed the amendment to the amendment of Chairman JONES proposed by my colleague, Mr. FORD.

The bill under consideration has for its constitutional basis the improvement of the soil. It is an amendment of the Soil Conservation Act. As such amendment, all land owners must be treated equally. The Government, in providing for rentals to improve the soils, must make payments to all, whether large or small owners, alike, otherwise the owner might be deprived of the use of his property without due process of law. The payment to large owners will be larger because more acres will be rented to the Government.

The bill provides for classes of large owners; it provides for reductions covering such classes, but the amendment of my good friend, Mr. PATMAN, goes much further. It eliminates all classes and if the bill is to be treated as compensation for the improvement of the soil, the Patman amendment would render the act void. If the payments under the Soil Conservation Act are donations or bounties, the case is different. One bounty may be made to a small grower and another bounty, or no bounty, may be paid to the large owner, but donations and bounties are one thing and soil-conservation payments are another thing. The bill has no standing if the payments are to be made as donations or bounties. The Supreme Court of the United States has decided the question in declaring the Agricultural Adjustment Act void. I believe that those who are constantly undertaking to array the small owner against the large owner and who are undertaking to give one payment on one basis to the large owner and another on another basis to the small owner are driving nails into the coffin of the pending bill. There can be no constitutional basis for the legislation if there be discrimination.

It was said by those who opposed payments being made to large owners that such owners would come into the program without receiving the same treatment respecting soil-conservation payments because of the parity. A moment's reflection will show that this contention is unsound. We have only had a parity payment in 1935. In the other years there were benefit payments with no parity. In 1939 there may or may not be a parity payment, just as there was neither parity nor loans in 1936. An owner cannot be deprived of his property for soil conservation without due process of law.

I believe we have emphasized the little farmer and denounced the large farmer enough. Both are entitled to equal treatment. I am just wondering if the term "little" has not been applied too often to the farmer and if it might not be more applicable to others than to the farmer.

I extend my remarks further to say that I oppose the amendment to the amendment of Mr. JONES, by my colleague, Mr. FORD, who proposed to amend the amendment of Mr. JONES substantially by striking from that amendment subsection (b) of section 355. My colleague offered to strike out subsection (b) and insert in lieu thereof the amendment proposed by him and adopted by the committee a few days ago to section 2, subsection (c) (3). The amendment he proposed, which was just rejected, possessed all of the vices of the amendment previously proposed by Mr. FORD and in addition thereto it discriminated in favor of the cotton grower who has planted for only 1 year as against the growers who have been planting for longer periods. Under his amendment a cotton grower with a few acres in cotton in 1937 in the alluvial valley of Mississippi or Arkansas, or in any other alluvial valley that had only been planted for 1 year could receive the same treatment by putting the remainder of his lands which he might clear in 1937 into cultivation that other growers who have been cultivating their lands for years could receive.

The Jones amendment is a step in the right direction; it really does not go far enough. Paragraph (a), section 355, should also be amended. It should provide for the allocation among the counties of 100 percent, but the Jones amendment does in effect eliminate from the quota provisions of the bill the Ford amendment adopted to section 2, as I have stated. I trust that not only will the pending Jones amendment be approved but that the Ford amendment to section 2 on the floor of the House will be eliminated. If it is not eliminated on the floor, it should be eliminated in conference.

There are fundamental and insuperable objections to the amendment of my colleague, Mr. FORD. I mention but a few of them.

First. Cotton production would be transferred from counties where cotton is being grown to counties where cotton is not being grown and may not be grown.

Second. Under the terms of his amendment there would be a 34-percent reduction in Tunica County, Miss., where

cotton has been grown, and there would be a 368-percent increase in Stone County, Miss., where cotton has been grown but little. There are some counties in Mississippi that grow only 2 percent of their cultivated lands to cotton. These counties would be given the same quota as counties that grow as much as 60 percent of their tilled lands to cotton.

Third. The Ford amendment would be unworkable. It would mean that cotton would not be raised unless the populations were shifted from one county to another.

Fourth. The sharecropper would be destroyed under the terms of the Ford amendment. The sharecropper is the cotton producer of the South. He lives in the counties where cotton is the only cash-money crop. Cotton production in these counties would be curtailed and the sharecroppers would be the losers.

Fifth. The Ford amendment is contrary to the purposes of the bill. It is for the States to regulate landholdings; it is for the Federal Government to treat all landholders alike. It is not for the Federal Government to change the policy of the States respecting purely State policies.

Sixth. The amendment of Mr. Ford of Mississippi would result not only in shifting populations, not only in a disruption of the economic structure, but it is unreasonable, as well as unsound. Fertile lands have a larger market value than unproductive lands. The Ford amendment would eliminate the distinction. It would say that fertile lands cannot produce more than unproductive lands; it would discriminate in the counties, whether those counties are in the hills or in the valley. No longer could the productive lands be assessed at a higher valuation because the production would be restricted. The public interest would suffer; schools could not be supported; highways could not be constructed or maintained.

Seventh. The amendment of Mr. Ford of Mississippi eliminates county committees. County committees appear in the pending Jones amendment and county committees appear in subsection (b) of section 355. The words "county committees" do not appear in Mr. Ford's amendment. The small farmer would not only have to come to the State capital but to Washington. There would be no provision for county committees. It is true that my colleague, Mr. Ford of Mississippi, states that county committees would be retained, but the trouble is his amendment omits the committees. The only way to provide for committees is to embody them in the legislation; they are embodied in the Jones amendment, but Mr. Ford's language strikes them out.

Eighth. The bill is to bring the farm program close to the farmers. The county committee is on the ground; appeals are provided. The county committee, I repeat to emphasize, would be eliminated in the Ford amendment.

Ninth. The allocations of wheat, corn, tobacco, and rice are made on the basis of production. Production is the yardstick. The allocation among counties is based upon this yardstick for all commodities in the bill as originally reported. The Ford amendment to section 2 eliminated cotton from the yardstick. The Secretary would make the allotments between farmers. Counties are eliminated from the picture. Personally I see no objection to administrative areas within the counties. The term "civil jurisdiction" was no improvement upon the term "administrative areas."

In eliminating any rule or yardstick for allocation among the farmers of the States under the Ford amendment, the matter is up in the air so far as cotton is concerned. The best way to protect the average citizen is to provide a definite rule and a definite yardstick. His rights should not be left to the determination at will of any official. It is the duty of Congress to prescribe the yardstick. My colleague [Mr. Ford] says that all shall plant the same number of cultivated acres. This requirement would dislocate the cotton program. Some counties do not raise cotton; lands produce different yields. The amendment would destroy the program.

If production is the proper yardstick in national allocation, if production is the proper yardstick for allocation between States, if production is the proper allocation between coun-

ties respecting other agricultural commodities, I submit that it should obtain respecting cotton. There are rich lands, and there are poor lands in the Wheat Belt; they are in the same county. The Representatives from other areas than cotton have not been so thoughtless or destructive as to eliminate the yardstick in the allocation as between farms where other commodities are grown.

It has been thoughtlessly stated that cotton has been taken from the large counties and given to the small counties. Such is not the case. The production is retained within the county. All counties are reduced alike. The inequalities heretofore have been in the allocation within the county. The bill seeks to remove these inequalities. It would not be fair to take cotton from one county and give it to another.

The counties that have diversified are protected by the 5-year period. They are also protected by the 10-year period mentioned in the bill.

Not only is the Ford amendment unworkable and unfair but it might well result in freezing cotton production in Mississippi and in other States. Cotton would be allotted to counties where it would not be grown. It costs to provide lands for cotton; it costs to buy equipment for raising cotton and to make provisions for tenants on cotton lands. Farmers, where cotton could not be profitably grown, would not go to the additional expense. The hazard would be too great. In many cases the allotment to States might not be grown.

There must be reduction in the production of cotton. The small crop will bring more in the aggregate than the large crop. I am familiar with cotton production; it is a tragedy that the largest crop in the history of cotton production will not result in profit to the cotton growers. It will be difficult for cotton growers in the district that I represent to break even with the largest crop they have ever made. The small grower and the large grower will benefit from reduced production. The reduction should apply to all; all should be treated alike. There must be no discrimination.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I rise in opposition to the Rankin amendment. Mr. Chairman, I regret to take so much time, but, as I understand it, the gentleman from Mississippi is wrong—I usually find him about right, but I could not find anything he is right about in the discussion here. He is wrong in his construction of the amendment. He was in favor of doing something for the small man, but his amendment would not accomplish that purpose. All the way through this bill we have made provision just as far as it seemed practical to take care of the small man. In the first place, under this part we grant a three-bale exemption, and we hold back 2½ percent of the entire allotment of a State to take care of the man who has less than 15 acres. We also use for this purpose any part of the additional 2½ percent of the State allotment that may be not needed for new land. Then we take care of excessive payments by making provision that no payment shall be more than \$7,500.

We cannot, of course, have an amendment here that will divide up the land. We are supposed to have a soil-conservation bill primarily, and this is supplemental to that. I believe the little man is taken care of. Now, another place where I think we take care of him—and I wish the House would get this—is that these allotments are made on the tilled acreage basis, and thus we eliminate the advantage which the big man has heretofore had.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. SOUTH. That is as it affects the growers in the various counties, but as between Falls County and Valverde County the gentleman does not claim that it is on a tilled-acreage basis, does he?

Mr. JONES. No.

Mr. SOUTH. Does the gentleman claim that a farmer in Valverde County, where practically no cotton has been grown, will be entitled to the same percentage of his tilled acres as a farmer in Falls County?

Mr. JONES. No; but that is taken care of, as the gentleman will note. Ninety-five percent of the State acreage



allotment is to be apportioned annually by the Secretary to the counties in the State. The apportionment to the counties is to be made on the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the State allotment is apportioned, plus any diversion that is made under previous programs. In other words, that county will get just exactly the amount of acres that it has heretofore been growing.

Mr. SOUTH. That is right.

Mr. JONES. The division within the county is on a tilled acreage basis; and on cotton that is an absolutely fair provision. Coming now to the counties, we prescribe a formula and say that the county committee shall allot it within the county; so there is not any possibility of the big man getting an advantage. On the other hand, by half a dozen different propositions scattered through this bill we see that the rights of the small man are protected.

Mr. SOUTH. Is it not a fact, though, that the big man who has heretofore been getting more than his just share, and I assert that he is, under this formula will continue to get more than his just share?

Mr. JONES. No; he cannot possibly do that, and that is what we are providing. The county will get the advantage of all the cotton planted, but when it comes to the divisions within the county it is on the tilled acreage basis plus previous diversions. That is the basis. They take the same percentage of the tilled acres throughout the county. It is a uniform provision, and if the gentleman will study it, I think he will reach that conclusion.

[Here the gavel fell.]

Mr. GEARHART. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, as one who is interested in the preservation of the cultivation of cotton in the States of California, Arizona, and New Mexico, I have listened in amazement as the various Representatives from the old Cotton Belt have risen, each in his turn, to defend the philosophy of this bill on the virtuous grounds of equality, fairness, and justice. I have read this bill from cover to cover, thumbed its pages hour upon hour, ever since it was handed to the Public Printer for dissemination amongst the Members of this Congress; and to this day I have failed to find a single item, a single subject dealt with in the bill which will operate with equality anywhere in the United States, fairly in any of the cotton-raising areas, or justly in any section of our common country. A more unfair, a more unjust, a more completely indefensible measure has never been proposed.

In respect of cotton the very selection of acres as the basis of reduction is eloquent proof of the purposed inequalities contained in this act.

When you reduce an acre in California you compel the withdrawal from production of 580 pounds. When you reduce an acre in Texas you merely require the withdrawal from production in that State of only 191 pounds.

Mr. Chairman, where is the justice? Where is the equality? Where is the fairness when you say to California, as a matter of law, "You shall reduce 580 pounds and Texas shall reduce but 191 pounds?"

This whole bill was conceived, drafted, and offered to this Congress for consideration for the sole and only purpose of destroying cotton cultivation in the three great Western States to which I have already referred.

That is the only reason the bill is offered. When the reduction formula was released for publication and I first read it I, naturally enough, wanted to know just what its operation in the various States was going to be. So I called the Department of Agriculture and asked them to tell me what it meant and what its effect would be insofar as the cultivation of cotton in my own State and the other States with which we are in association in the cultivation of cotton was concerned. They said, "We have figured it all out for you. We know how it is going to work." Then they sent me a lot of charts, which I hold in my hand. I found to my astonishment they had not only figured upon the 5-year average, the figures which the bill adopts, but the chart

presents the figures in respect to the 1937 acreage plus the diverted acres, the figures for 2 years, for 3 years, and for 5 years. I found out that the committee had selected as the formula to be set forth in this bill the estimates of the Department of Agriculture which would hurt California the most. They did not take the 1937 acres, plus diverted or undiverted acres. They did not take the 2-year average. They did not take the 3-year average. They did not take the 4-year average. They took the 5-year average because the formula based on a 5 years' history would discriminate against California most. I wonder if they realized they were throwing 100,000 Californians on the dole. It takes from those people the right to make a living, the ability to provide for their families. It takes from them the right to earn \$2.83 a day picking cotton in order to give the employment to the States of the old South where the wage scale affords to cotton pickers an opportunity to earn only \$1.08 a day. And still we hear persons plead for this legislative abomination in the name of fairness.

Do they call that fairness? If you do, vote for it. But if it, in your opinion, is unfair, if it does not appeal to you as promoting equality of opportunity, or as exalting justice among men, I ask you to vote for amendments which will put crop reduction on a basis of equality; that is, upon the basis of 1937 acres in production plus the acres which were diverted, or rented, under the provision of the Soil Conservation Act. That will be justice.

[Here the gavel fell.]

Mr. SOUTH. Mr. Chairman, I move to strike out the last four words.

Mr. Chairman, I have no great quarrel with this bill. It is a decided improvement over the bills heretofore enacted in many respects, and particularly with reference to quotas, but I do call attention to certain facts which I am sure many of you do not understand, especially those of you who do not come from cotton sections.

When the curtailment program was first adopted the man who had been planting all of his acreage in cotton, or substantially all of it, was permitted to participate in this program on the same percentage of acreage which he had planted in cotton, as was the man who had been planting only a small percentage of his acreage in cotton. Let us keep that clearly in mind. In other words, Mr. Chairman, we had built up in this country a surplus of cotton that was crushing the life out of the cotton-producing sections, and the men who were responsible for that surplus were rewarded in that they were paid the major part of the benefits, while the little man, who had farmed intelligently, who had diversified, and who was not responsible for the huge surplus, was penalized in that he was granted only a very small number of acres to plant in cotton. Since that same discrimination has been carried forward in the entire program down to this date, the amendment offered by the distinguished chairman of the Committee on Agriculture necessarily adopts, and approves, this discrimination, in that the amendment provides:

The apportionment (by the Secretary) to the counties shall be made on the basis of acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the State allotment is apportioned.

And so forth. This amendment will prohibit discrimination as between farmers in the same county, but it permits, and, indeed, perpetuates, discrimination as between farmers in different counties, in that the farmer in certain counties, and particularly those counties where large cotton plantations are farmed by tractors and hired labor—because it was this type farmer who was planting the largest percentage of his tilled acres in cotton—will, under the present bill, continue to have a greater base acreage than the small individual farmer who has been diversifying and, therefore, planting a smaller percentage of tilled acreage in cotton.

The most objectionable feature of our entire farm program has been that the little man who tried to cooperate, and who was not responsible for the surplus, has been

penalized and, in many instances, forced out of the picture entirely, whereas the offending party—that is, the farmer who did not diversify, who grew more cotton than he should have grown, thereby building up the burdensome surplus—has received special favors in the form of crop benefits. I regret that some way has not been worked out which will correct this indefensible policy.

Mr. RANKIN. Will the gentleman yield?

Mr. SOUTH. I yield to the gentleman from Mississippi.

Mr. RANKIN. The amendment I have offered would give the Secretary of Agriculture the opportunity to correct that to some extent as between counties.

Mr. SOUTH. Yes.

Mr. RANKIN. That is what I am driving at.

Mr. SOUTH. That is right.

Mr. FORD of Mississippi. Will the gentleman yield?

Mr. SOUTH. I yield to the gentleman from Mississippi.

Mr. FORD of Mississippi. The trouble with the bill as written is that it simply goes back 5 years in making allotments to the counties. When it gets down to the State it takes a 5-year period to determine the allotment to the county and does not take into consideration previous diversification.

Mr. JONES. Oh, yes; it does very clearly. The gentleman's statement is just opposite the fact.

Mr. SOUTH. When you go back to the 5-year period you are still circumscribed, or limited, by the rules that have been in effect during such period, permitting the big man to plant more than he is justly entitled to. The final result is that, while you cannot discriminate as between the growers in the same county, you can discriminate, and are discriminating, as between growers in different counties, because one of them happens to live in a county that is allowed a small quota by the Secretary of Agriculture.

Mr. NICHOLS. Will that not apply to a State as well as to a county?

Mr. SOUTH. To a certain extent. As stated before, the present bill is a great improvement over former bills because it no longer permits one farmer to plant twice or three times as much cotton as his neighbor just across the fence, with the same number of acres in cultivation, merely because he has been planting most of his land in cotton, when the other farmer had been planting feed, legumes, and so forth.

My opinion is that some plan similar to that offered by my colleague [Mr. Ford of Mississippi], which proposes to cut out discrimination as between counties, just as the present bill cuts out discrimination as between farmers in the same county, should be adopted.

If it is unfair for a farmer to be given a larger acreage than his neighbor in the same county, merely because he had planted more cotton during certain past years, why is it not equally unfair for one county to be given a larger base acreage than some other county because the total number of its farmers had planted a larger percentage of tilled acreage in cotton? It seems to me that the principle is the same.

I have never been greatly impressed with the argument that farms and counties which have not attempted to grow cotton in the past, even when cotton was selling for 30 cents per pound, would immediately be planted to cotton, which will probably not bring more than 9 or 10 cents per pound, under a Government program. I believe my position in this matter is sound and will finally have to be adopted before the program can be very successful. The more standards which are fixed, and the more boards set up, to conform to such standards, the more opportunities are given for overreaching on the part of some and for general discrimination.

There are serious objections to any sort of Government program which limits, or attempts to limit, production. Except as a last resort, I am opposed to any action on the part of the Government which would in any way interfere with a man's right to manage and control his own property as he sees fit. We are facing a condition, however, which cannot

be overlooked and a condition which cannot be remedied by talking about giving up our personal liberty, being regimented, and so forth. The cotton farmer has reached the point now where he must decide as between no farm program, or no production control, which will permit him to raise all the cotton he cares to plant, and which he must sell at a price far below the cost of production, or to agree to crop-control measures similar to that proposed in the pending bill and receive a fair price for his product. During the few weeks immediately preceding the convening of the called session I talked with quite a large number of farmers in different parts of my district and attended several farm meetings at which a large number of farmers were present. I am convinced that a vast majority of the farmers are in favor of a farm program.

Perhaps no two of us would agree as to the various provisions which the bill should contain, and therefore this legislation, as indeed all legislation, must be, to a great extent, a matter of compromise. Our consumption last year amounted to approximately 13,000,000 bales, both domestic and export. We produced in this country more than 18,000,000 bales in 1937 and had a 6,000,000-bale carry-over, providing a supply of 24,000,000 bales of cotton. After deducting the 13,000,000 bales consumption from the 24,000,000-bale supply, we have 11,000,000 bales of cotton on hand. This represents the carry-over which we will have on the 1st of next August, when harvesting of the new crop will begin. It is significant to note that each 1,000,000-bale carry-over, at the end of any marketing year, results in a reduction in price of approximately 1 cent per pound. The Bureau of Economics of the Department of Agriculture found this to be true many years ago. Cotton, which is now selling for approximately  $7\frac{1}{2}$  cents per pound, would, according to this rule, be selling for 19 cents per pound were it not for our 11,000,000-bale carry-over. Last year, for instance, with the 6,000,000-bale carry-over, cotton was selling for  $12\frac{1}{2}$  cents, as against  $7\frac{1}{2}$  cents with 11,000,000-bale carry-over. In 1921 to 1923 the carry-over was reduced to 2,000,000 bales, and cotton was selling at an average price of more than 20 cents per pound.

It may be that increased world production will vary this rule some in the future. I rather think it will. Many factors have contributed to increased production in foreign countries, which reached approximately 20,000,000 bales in 1937. Many leading nations of the world are no longer going to be dependent upon other countries for their cotton supply, a large quantity of which is needed during normal times and a much larger quantity when such nations are engaged in war. It is obvious to one who has made a careful study of the problem that our world markets cannot be regained by a production of an abundance of cheap cotton. This year, for instance, we produced more cotton than we ever produced before. No one will contend that cotton is not cheap, and yet we are unable to find a world market for our 11,000,000-bale surplus. We had just as well face the facts squarely and honestly. We are going to have to produce less cotton in this country, and this cannot be done without adopting the most intelligent and workable plan that can be devised.

There is no reason why the Government should not pay the producer a reasonable subsidy or bounty. The producers of farm and ranch products, almost from the founding of our Government, have been buying in a tariff-protected market, and selling in a free market. This has tended to impoverish agriculture.

Alexander Hamilton, one of the leading proponents of a protective tariff, recognized that this would have to be done, in order to offset the effect of such tariff on agriculture. In his report on manufactures, of December 5, 1791, Mr. Hamilton said:

Bounties are sometimes not only the best but the only proper expedient for uniting the encouragement of a new object of agriculture with that of a new object of manufacture. \* \* \*

It cannot escape notice that a duty upon the importation of an article cannot otherwise aid the domestic production of it than by giving the latter greater advantages in the home market. \* \* \*



I contend that to adopt the tariff, or to pay a subsidy or bounty to agriculture, without at the same time adopting the other, would be manifestly unfair and unjust. Most of us realize that the tariff cannot and should not be abolished. It should be reasonably imposed in order that equal treatment may be accorded different industries in different sections of the country. A reasonable bounty or subsidy paid agriculture, as provided in the present farm program, is, in my judgment, about the most intelligent and fair means of dealing with this very important but somewhat intricate and difficult problem.

Mr. JOHNSON of Oklahoma. Mr. Chairman, I rise in opposition to the pro forma amendment.

It is my every inclination to support any farm bill presented this House by the Committee on Agriculture. I would like to support the pending bill if possible, not as a permanent solution or even a gesture toward the ultimate solution of the farm problem, but I think all will agree that some kind of a farm bill must be passed in the near future. It is my only regret that Members of this House have no opportunity to support a real constructive program rather than the makeshift legislation that is presented today.

I supported the A. A. A., not because I thought it a solution for, or even a serious gesture toward, the solving of our farm problem. All of us knew that the A. A. A. was no solution, but many of us supported it as a stopgap, as a temporary measure to give our farmers temporary relief. It served its purpose well.

Many of us supported even much more reluctantly the late lamented Bankhead control bill. The Bankhead Act did not appeal to me and I took the liberty of offering several amendments in an effort to correct some of the inequalities and inconsistencies of the Bankhead Act. That bill was another stopgap, but no one pretends to say that it even made any serious attempt to solve the farm problem so far as cotton is concerned.

Now we are presented with another measure, a measure that no Member of Congress had seen or known anything about, save members of this committee, until it was presented to this House a few days ago. I am not criticizing the committee, but I sympathize deeply with it. The fact is, it is well known that the Committee on Agriculture, for which I have the highest respect, did not conceive the basic features of this bill. It was handed to our distinguished chairman and his committee was given a week or 10 days to report it. I am sure the committee worked overtime in an effort to make a constructive, practicable measure out of it. And for the good work that they did in that direction the committee is entitled to the thanks and commendation of every Member of this House. But it is known that no Member of this House was permitted to appear before the committee to present his views.

There are some constructive provisions in this bill. I am not one of those who thinks that it is all bad. The provision with reference to soil conservation is constructive. The fact is we waited 50 years longer than we should have to begin a constructive program in an effort to conserve the soil and reclaim soil-eroded farms in America. But this bill has too much red tape and too many regulations for the farmers to be called upon to comply with in order to secure its benefits.

It is proposed that the acreage for cotton be cut from about 32,000,000 acres to approximately 28,000,000 acres next year. It will be recalled that the acreage was reduced from 44,000,000 to 32,000,000 acres last year, a reduction of 12,000,000 acres, and yet we saw a tremendous increase in cotton production. I am unable to see on what theory the House committee, the Secretary of Agriculture, or the Farm Bureau, that seems to be sponsoring this bill, can give assurance that there will not be an actual increase in cotton next year. But assuming that there will be a falling off in production of cotton next season from four or five or possibly six millions of bales, as is claimed by the sponsors of this legislation, no informed person will pretend to say that will materially raise the present price of cotton. The fact is, with the present world supply of cotton of nearly 50,000,000 bales on hand no one will seriously contend that the price of cotton will be increased in

1938 or 1939, when the provisions of this act, so far as quotas are concerned, become effective. But in case there is a falling off of 6,000,000 bales production, under the terms of this act, it will cost the cotton farmers of the South 8 cents a pound, or \$480,000,000. If that occurs, someone must feed a lot of our cotton farmers in the South.

If this bill is even a step in the right direction, as some of its supporters have claimed, may I ask why under its provisions the cotton quotas do not become effective until 1939? That is a question that none of the supporters of this legislation have been able to give a satisfactory answer to. What we do with this farm legislation will probably determine the farm policy of this Government for several years hence. In earlier years of this administration we could support legislation for stopgap measures consistently, but it occurs to me that the time has arrived—in fact, I think it has been long overdue—when this Congress should exercise its authority and refuse to accept a bill handed it by the Department of Agriculture or any other department of Government. [Applause.]

But you may say: "It is easy to criticize, what have you to offer?" For several years I have been personally advocating what is called the domestic-allotment plan, believing that such a plan offers a real solution to our farm problem. Several bills have been introduced in Congress along that line. I have introduced a domestic allotment bill in the present session. It is a companion bill of one introduced by my colleague, the junior Senator from Oklahoma, Senator LEE, I am convinced that if such a plan were enacted it would aid to restore the world markets for America which our country has lost. While our exports of cotton and other commodities have been reduced year by year the foreign countries have greatly increased their production. Only recently one farm in Texas shipped the Italian Government 33,000 bushels of certified cotton seed to be planted in Ethiopia. So as we cut down our acreage and shackle our own American farmers, and thus contribute to the increase of the foreign markets of the world, the war lords of Europe greatly increase the production of cotton in the foreign lands. As I see it, such a policy if continued will bring ultimate disaster to the cotton farmer of the South.

The gentleman from Oklahoma, my colleague [Mr. MASSINGALE], and the gentleman from Iowa [Mr. EICHER], both of whom have made a comprehensive and intelligent study of the farm problem, have each introduced the same bill on which they have agreed, known as the cost-of-production bill. I have made some study of this bill and feel that it is progressive, constructive, and reasonable. If I have an opportunity to vote for the Massingale-Eicher bill as a substitute for the committee bill I shall not hesitate to do so. When the opportunity presents itself to substitute the domestic-allotment plan in the place of the pending measure I shall, of course, make every possible effort to do so, and I might add that the gentleman from Texas [Mr. POAGE] will offer such a motion this afternoon. We must eventually find the answer to the farm problem and every informed person will agree that the program of scarcity will not solve our present or future farm troubles. [Applause.]

No one seems to want the pending bill. Most everyone agrees that it is not the solution or even a serious effort toward reaching the solution of the grave and serious farm problem. If the Boileau amendment is permitted to remain in the bill, it will make this legislation a monstrosity even more absurd. It would prohibit farmers from planting any of their land withheld from production into feed crops for cattle, horses, hogs, or poultry. Farmers through necessity would, of course, refuse to comply with such a provision of law and they would thereby make themselves liable to prosecution under the terms of this act. But, of course, I assume that such an absurd provision will not remain in the bill.

Let me remind you again that this measure is no guaranty of better farm prices or of even a reduction of cotton production. The acreage last year was cut from 44,000,000 acres to 32,000,000, a reduction of 12,000,000 acres, yet we saw a tremendous increase in the production of cotton. Under these circumstances, is it consistent to say there is

any possibility or even a probability of a reasonable reduction in the number of bales of cotton produced next year?

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Oklahoma. Yes.

Mr. COOLEY. Does the gentleman understand that unless the cotton farmers actually comply with the soil-conservation program and reduce acreage, they will lose not only the soil-conservation benefits but the 3-cent subsidy for which we have provided?

Mr. JOHNSON of Oklahoma. I understand that, and as I stated a while ago, in my judgment the soil-conservation provision of this act is probably the most constructive part of the bill. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto do now close.

Mr. RANKIN. Reserving the right to object, Mr. Chairman, I may say to the gentleman from Texas I have another amendment which I intend to offer when the pending amendment is voted on. I have already explained this to the chairman of the Committee on Agriculture.

Mr. JONES. How much time does the gentleman want?

Mr. RANKIN. I do not want over 5 minutes. I could not get more if I did, but I should like to have 5 minutes.

Mr. JONES. Mr. Chairman, I modify my request and ask unanimous consent that all debate on the committee amendment and all amendments thereto close in 7 minutes.

Mr. GEARHART. Reserving the right to object, Mr. Chairman, if we accede to the request of the gentleman from Texas, I shall not be foreclosed from introducing an amendment and having the usual 5 minutes?

Mr. JONES. No; this request covers just the committee amendment and all amendments thereto. I should like to dispose of this amendment.

Mr. RANKIN. Reserving the right to object, Mr. Chairman, as I stated, I have another amendment to the committee amendment.

Mr. JONES. In my request I reserved 5 minutes for the gentleman to talk on his amendment.

Mr. ROBSION of Kentucky rose.

Mr. JONES. Does the gentleman want to speak on the committee amendment?

Mr. ROBSION of Kentucky. I want to talk on this cotton proposition.

Mr. JONES. My request covers just the committee amendment, and leaves the cotton provision open for further debate.

The CHAIRMAN (Mr. McCormack). Is there objection to the request of the gentleman from Texas [Mr. JONES]?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi [Mr. RANKIN] to the committee amendment.

The question was taken; and on a division (demanded by Mr. RANKIN) there were—ayes 16, noes 67.

So the amendment to the committee amendment was rejected.

Mr. RANKIN. Mr. Chairman, I offer a further amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. RANKIN to the committee amendment: In line 8, strike out "five calendar years" and insert the words "the calendar year 1937."

Mr. RANKIN. Mr. Chairman, this will probably be the last opportunity I shall have to try to take care of the small, white farmers in the white counties where the farmers do their own work.

If you are going to put this bill through as it is written and take the great bulk of the cotton crop instead of encouraging diversification, build a barbed wire fence around every county and allot the bulk of the cotton to the big cotton planters in the rich counties, for God's sake let us not go back over 5 years during which many of the small counties were almost

wiped out so far as cotton production was concerned. Let us take the year 1937, which, in my opinion, has the best distribution of cotton production of any period that has been suggested here.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. JONES. The gentleman understands that if they did not make a bale of cotton, if they planted the acreage, they would get the acreage just the same. There is no production basis.

Mr. RANKIN. Not only that, Mr. Chairman, I voted with the gentlemen from California, New Mexico, and Arizona yesterday, because I thought they were right. Taking away from them the right to make a living, taking away from their farmers the right to make a living, is certainly not going to help my farmers to amount to anything, but it will pile the production of cotton into these large counties in the heavy States that have monopolized it heretofore.

So I believe if you are going to attempt to do justice to the cotton farmers of the country, this amendment ought to be adopted. It may be that some of the counties I represent may not get quite as much under this amendment, several of them might get more, but taking it all in all, it will be much more just and equitable to base this allotment on the year 1937 than it would to go back over the last 5 years.

Mr. MAHON of Texas. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Texas.

Mr. MAHON of Texas. The gentleman's amendment simply means that we will base the acreage allotment on the 1937 crop?

Mr. RANKIN. That is right.

Mr. MAHON of Texas. That would be a great improvement so far as west Texas is concerned, and I am heartily in favor of the amendment.

Mr. RANKIN. Why, of course. Who is the pioneer? I have heard more talk about the pioneer and seen more done against him since I have been in Congress than almost any other class. Who is the pioneer? The man who takes his ax and goes out and hews his field from the woods, yet unless you adopt this amendment that man who has cleared his farm in the last 5 years is deprived of the right of planting cotton on it, you might say. Certainly he is not put on a parity with the man who has been planting everything in cotton for the last 5 years.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. RANKIN. I yield.

Mr. SOUTH. Is it not a fact that generally last year county committees were more liberal with the small farmer who had been heretofore discriminated against than in previous years, and therefore the gentleman's amendment would be an improvement?

Mr. RANKIN. Certainly; and not only that, we did not have the Bankhead bill last year. We did not have the farmers in a strait jacket last year, and the poor man could do pretty much as he pleased and take his chances. Therefore the planting of cotton or the production of cotton was more equitably distributed last year than it has been in the last 5 years. Not only that, but there was very little boll weevil last year, and therefore the production was rather uniform.

If you want to just take this cotton, if you want, under the guise of doing justice to the farmers, to punish the little man who has had the courage and the industry to go out and clear his land, if you want to punish the people in these other States who have been trying to learn to raise cotton and to take care of that great mass of people who are going from your States into those areas, if you want to do that, vote against this amendment. You understand you would not increase the crop by adopting this amendment. You would merely provide a more equitable distribution of the number of bales produced.

Mr. JONES. Mr. Chairman, I rise in opposition to the amendment.



Mr. Chairman, the gentleman's amendment would do just the opposite, it seems to me, to what he states. For instance, I happen to know a man in my particular area—and I may say that my area would benefit by his amendment—who is a big farmer and has been growing 1,000 acres of cotton. He has moved to another part of west Texas and this year planted 3,000 acres, staying out of the program. The gentleman from Mississippi, by his amendment, would give this man 3,000 acres or the same percentage of that, and this would violate the rights of the little man and turn the whole thing over, lock, stock, and barrel, to the big man. If you want to do that, then do it.

Mr. DOXEY. Mr. Chairman, will the gentleman yield to me?

Mr. JONES. I yield.

Mr. DOXEY. Did we not work this out in committee and find that 5 years would be in the interest of the little man, while basing it on 1937 would give more to the big man?

Mr. JONES. Yes; and the big man could have his production even during the bad years by using fertilizer, and so forth. So we got away from production and went to the tilled acreage basis, and the little man who planted his acres will be protected. The adoption of the amendment of the gentleman from Mississippi would destroy the little man and turn the whole production over to the big man and to the States that want to go into production, and not only wreck the program but wreck Mississippi in its cotton production.

The CHAIRMAN. The time of the gentleman from Texas has expired. All time has expired. The question is on the amendment to the committee amendment offered by the gentleman from Mississippi [Mr. RANKIN].

The amendment was rejected.

The CHAIRMAN. The question now recurs upon the committee amendment.

The committee amendment was agreed to.

Mr. SUMNERS of Texas. Mr. Chairman, I move to strike out the last word. In a sense we have traveled in a circle, and so far as the necessity of protecting the price of agricultural commodities, we are at the place we were 5 years ago. We did not protect then. We said everything will be all right around the corner. We smashed. We had that experience, and we now are not dealing with a theory. During the last years of the Hoover administration the price of agricultural products went down to where the buying power of the farmers of the country was paralyzed, and that paralysis extended up through the whole economic structure. I made a speech on December 27, 1932, almost 5 years ago, on the subject, the Key Position Which Agricultural Depression Occupies in our Present Difficulty, which I will ask to be printed at the conclusion of these remarks. I suppose none of us fully approve this bill. I have always favored the general principle of the export debenture plan. But I have asked this recognition principally to say something about the county unit plan carried in this bill and which is now under heavy criticism. It is mighty difficult—and I say this in behalf of this Agricultural Committee—to write a bill that will meet the situation and requirements of each community and district. In my State, for instance, we have some counties which have much land that is not well adapted to the production of cotton. If this county unit is not carried forward in the bill—and I represent a city; I do not represent a country constituency—you will find a lot of these counties that will actually increase their acreage. They will put cotton in the good spots in their goat ranges.

This feature of this bill is a big improvement over the law that we are operating under, which has the base of the historical production of each farm. This committee has brought in a bill in which they have gone aside from that, and they undertake to protect the man who has heretofore diversified. I know of two farms that a man had. One farm he lost, and the other farm he kept, and the farm he kept was the farm that he raised stock on. He could scarcely have any cotton at all. They have taken care of that in this bill.

There are tremendous difficulties in establishing a workable administrative unit.

The best they have been able to do is to determine on the county unit. The county unit is reasonably small; the people in it know each other pretty well. It is about as big as you can turn over the administration of to a voluntary committee. It is going to work injustices now and then. It will work some injustice as between the hill man and the delta man, no doubt, but it will be a big improvement there, I hope, but I do not believe when you come to write a bill weighing advantages and disadvantages that you can have a more workable plan than the county as the unit of administration. You cannot possibly write a workable bill based on the cultivatable acreage of an entire State.

I do not want to take up any more of your time on that point but I want to make this statement before I resume my seat. I come from the city, and I am talking to my city friends now. We cannot afford to play politics with this situation. We people of the cities are as certain to go broke if the farmers go broke as that night follows day. It is just as much a job of the man in the city as it is of the fellow on the farm to try to work out a bill that is satisfactory. This bill has been amended a whole lot. Perhaps it has been improved, perhaps it has not, but I ask my friends from the cities, and my friend from California [Mr. GEARHART]—and that was a pretty good speech that he delivered a little while ago, for some purposes—my friend complains that each acre his constituents curtail means a reduction of 500 pounds of lint cotton, while for each acre curtailed in the South it is only something more than 130 pounds; but he fails to state that for each acre his people plant they produce the pounds he mentioned, while for each acre the southern person puts in he only raises the one-hundred-and-thirty-odd pounds. I offer for the RECORD the speech I made 5 years ago. It shows that we city people, as compared with our present attitude, have learned a valuable lesson. We must not forget it now, or we will pay a higher price than we did in the early thirties.

Mr. Chairman, as time goes on, whether we live in the city or in the country, we shall come to appreciate the key position which agricultural depression occupies in our present difficulties. I would say that the first question that presents itself is this: Do the economic difficulties of agriculture lie at the bottom of our general difficulties? One of the reasons why we have not been able to agree on procedure is that every time a proposition is put on the table and the business people of the city recognize that something has got to be given up, they balk. I do not want to stir up any row. That is the last thing we need. If I may be permitted to say a word, not in criticism, industry during this crisis has been captained largely by men who have not seen one inch beyond the end of their noses. Think of them telling the people that everything would be all right just around the corner when we were going head on full steam for the rocks. How in the name of common sense anybody in any business in any city could imagine or can imagine that he can open up his factory and put his idle people to work unless these thirty-odd-million farmers can buy, I cannot understand. One of two things has to happen, no use deceiving ourselves: Either labor and commodities, professional services, rents, and everything else in the city have got to come down to the level of 8-cent oats and 5-cent cotton and 15-cent corn, or we have to lift these prices up until trade contact is established with city prices. That is all there is to it. It does not make any difference what is required, that has got to happen. Credit is all right in its place, but the thing, the big thing, that is the matter with us now is not lack of credit or of anything else—it is a paralysis of the economic circulatory system of this country. Things are not moving. How much city production can be moved with 15-cent corn? If we agree on a few of those fundamental facts, then it seems to me that we could begin to make progress.



These criticisms of the character of efforts that are being made to do something for agriculture would be sound, provided we were living in a state of nature economically. The statement that agricultural prices are controlled by the law of supply and demand as a dependable agency of economic justice is a perfectly ridiculous statement. The law of supply and demand has penalties as well as rewards. The farmers are denied the rewards of the law of supply and demand and are paying its penalties. I cannot cover that now. One of the recent editorials referred to the efforts to do something for agriculture as putting a sales tax on bread. It is a very remarkable thing that they cannot see that the tariff puts a sales tax on the products of the factory which the consumers have to pay. That is what it is for. That is all right, according to these city critics. They will not trust the law of supply and demand here. Mr. Lincoln announced a great truth when he said that this country could not be half slave and half free, and by the same token it cannot be economically half slave and half free, half protected and half free trade. But these wheat farmers are not even free trade. They are below free trade. If they could buy where they sell, that would be free trade; but this Government forces them to bring their sales money from the world markets and buy from their tariff-boosted brethren.

Gentlemen of the cities, we have reached the end; we have been bleeding agriculture to boost these enormous abnormal industrial developments, while the farmers have been bleeding the soil. They have reached the Pacific Ocean. Both have been bled white. You will have to give back to these farmers arbitrarily what you take from them arbitrarily. If you were pumping the lifeblood out of a man prostrate on the street, pumping it into someone else, as we are doing to these farmers, pumping it into the beneficiaries of the tariff, and someone came along and said, "Leave that person being bled to the laws of Nature; Nature will take care of him," everybody would know that he was a fool. If somebody looks wise and proposes such an absurd thing for these farmers he is classed as a profound economist. Yet we know that these producers of exportable surpluses have no share in the tariff system. I am not speaking in prejudice here. I come from no mean city myself, but we city people have to recognize that if we would put our idle men to work, we have to give these farmers a chance to buy. That is all there is to it. The city people who manufacture do not seem to realize that they are living off the bounty which this Government forces these farmers and others to pay. What is the tariff but a bounty; and what is the tariff boost in the sale price but a sales tax which people have to pay? I am not now criticizing that as an institution. Is it not strange? Here is a people who all of their lives have been getting a bounty from the Government, and when you attempt to give back to these farmers that which is taken from them by act of government, to pay this bounty so that they can buy the products of the factory, then these city people begin to talk about the law of supply and demand controlling prices. Suppose the thing were reversed. Suppose the manufacturer were forced to sell in the cheapest market, as these farmers are, and then would have to come back here and pay a premium to farmers, how long could they last? Do you think they would be willing to trust the law of supply and demand? How long could anybody last doing things like that? The remarkable thing is that we have not broken long before now. I do not want to be an alarmist, but we cannot keep up this discrimination, this credit panacea business much longer. We have been trying to cure the situation in which we find ourselves by doing the silliest things that sensible persons could do to correct an economic situation such as we have, namely, by loaning more money to people who now owe more than they can pay. Railroads need freight. We need circulation.

The Government is running \$2,000,000,000 behind. Practically the only people who are paying any dividends in America today are a few big corporations, who are paying the dividends out of accumulated surplus. There is a

paralysis of the circulatory system. How do you expect that the economic blood from the farmers of this country can come back in sufficient quantities to give life and vigor to your city industries when you are putting into their veins receipts from 8-cent oats, 5-cent cotton, and other things in proportion? How can you expect to keep your factories operating and put your people to work in that way? This is what I say, gentlemen of the cities, people who would open your factories and put people to work, as long as the protective tariff system is maintained, which is an abnormal, arbitrary booster of prices, which boost agricultural producers of exportable surpluses must pay, you must give back arbitrarily to these farmers that something which is taken away arbitrarily, so that they can buy. We cannot do that unless you men go back to your city people and tell them that agriculture is the root of the tree, unless you go back to your people and say to them, "If you want to maintain the tariff structure, we have to reverse the operation of the tariff system and make it effective on these wheat farmers and corn farmers of the West."

When the historian writes the story of this crisis I am afraid he will write that we gave to this crisis the lowest order of applied intelligence that ever a people gave under similar circumstances, and I am not talking about Democrats or Republicans, either. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. ROBSON of Kentucky. Mr. Chairman, ladies, and gentlemen, for the last 3 years we have heard much from the New Dealers about the "wonderful recovery" due to the New Deal policies; yet after nearly 5 years of these policies we are faced with a major depression in agriculture, industry, and commerce.

The prices of farm commodities, gilt-edge stocks and bonds have been for the last 2 or 3 months or more dropping rapidly. Production in factories, mines, mills, and shops has greatly fallen off. Many industrial plants have closed. Recently two or three million industrial workers have been thrown out of employment. In fact, everything has gone down except taxes, deficits, debts, unemployment, and cost of living. Our Democratic friends say we are having a "recession." If a Republican were in the White House, they would call it a depression or a panic.

The President became panicky on account of these conditions and called Congress to meet in extraordinary session on November 15th to consider farm and other legislation. Congress did meet, but the President himself hurries off on a fishing expedition in southern waters.

Many Members of the House and Senate, as well as millions of other citizens, are worried because the administration has not advanced anything at this special session that will relieve or postpone this threat of an economic depression. We are now in the fourth week of the special session. No bill of any kind has been passed, except two small bills, one appropriating money to pay the salaries of pages and the other to pay mileage to the Members of the House and Senate.

I was brought up on a farm. A majority of my constituents are farmers, and most of my close relatives are dirt farmers. I am, therefore, naturally deeply interested in anything pertaining to the welfare of the farmers of the Nation. I was very hopeful that the Administration might, after having seen the ill effects of its farm policies, propose to this special session a sane, helpful, constitutional, and permanent policy for the aid of the farmers, and especially the small farmers of the Nation.

Other friends of the farmers, as well as myself, would welcome an opportunity to vote for a farm bill that would give the American farmers the American market and protect them against the farm products brought into this country, produced by cheap peon labor in the West Indies, South America, India, China, Egypt, Japan, and the four corners of the earth. We give industry and the workers of industry this character of protection so that those engaged in industry might secure a fair return on their investments and be able to pay wages



in keeping with the American standard of living. The farmers and workers on the farm should be placed on an equal footing with those engaged in industry.

We have had now under consideration in the House for 2 weeks or more H. R. 8505. I have made a careful study of the 86 printed pages of this bill and of the 64 printed pages of the majority and minority reports. I have listened to several-score speeches. Very few speakers have approved the bill. The National Grange, with its million members of dirt farmers, the president of the American Farm Bureau Federation, and many other great farm organizations and spokesmen for many large farm groups have condemned this bill. Many of the spokesmen of the farmers in the House and Senate, who come from great farming sections of our country and who have for years made a close study of the practical problems of the farmers, have stated that the bill before us is unworkable, unsound, unconstitutional, and will prove a great disappointment to the farmers of this country. Many of the outstanding constitutional lawyers in the House and Senate have stated in most positive terms that the bill is unconstitutional. Even the earnest advocates of the bill do not assert that it is constitutional. They merely express the hope that the Supreme Court will uphold it.

The bill is as confusing and complicated as a Chinese puzzle. Those opposed to the bill insist that they oppose it because it will not give the American farmers the American market, and neither does the bill give any assurance to the American farmer that he will receive the cost of production, and neither will it put the farms and farm workers on a parity with industry and industrial workers, but it will place every farm and farmer in this land under the heels of a few bureaucrats here in Washington.

Out of this jumble of confusion and uncertainty there are some features that do appear definite and certain: (a) The bill before us is unconstitutional and will be so held by the Supreme Court, in our opinion, if that Court follows the same rule laid down in the *Butler* case when it passed on the constitutionality of the A. A. A., and the rule laid down in *Carter against Carter Coal Co.*, in 1936; (b) there will be expended of the taxpayers' money approximately \$565,000,000 annually; (c) there is no doubt but what this measure, if adopted, will regiment and enslave the American farmer. Every farm and farmer of this country will be put under the domination of one man, the Secretary of Agriculture; (d) if this bill carries out the purposes, as claimed by some of its proponents, it will cut down consumption, it will create unemployment and add to the relief roll; (e) it will encourage production of farm products in foreign countries and reduce our world markets and, at the same time, turn over much of our American markets to foreign farmers.

Up to this time no farmer nor any group of farmers in my district has requested me to support this bill. I have received a number of letters in opposition to it. I have received letters expressing opposition from the National Grange, and other farm leaders. I was somewhat surprised to receive a letter on November 27, 1937, from the Honorable J. E. McDonald, Commissioner of Agriculture, from the State of Texas, in which he says in part:

I am convinced that the cotton farmers and workers generally throughout the South are threatened with the greatest unemployment in our history; that the proposed compulsory control of cotton production, if enacted into law, will make said threat a tragic reality, with resulting cost in relief to the United States Government that will be staggering.

It seems to me if any group of farmers will benefit under this bill, it will be the cotton farmers of the South. Cotton farmers will receive approximately \$130,000,000 as a direct bonus and as soil-conservation benefits. Texas is a great Southern State, yet the commissioner of agriculture of that State urges us to defeat the bill because it will bring about, in his opinion, "the greatest unemployment in our history in the South."

A very able Member of the House from another southern cotton State stated on the floor of the House today in substance—"that if we pass this bill in its present form, it will bankrupt the South." Members from California and

some other States claim that it would result in great injury to the cotton growers of California and some of the Southwestern States. Now, if the cotton farmers cannot be for this bill, I cannot see how any farmers could be for it.

Another unusual situation confronts us; there is as much difference between the farm bill in the House and Senate as there is between day and night, yet administration leaders are in charge of both bills. If these two bodies pass the respective bills before them, they will then go to conference, made up of a small group of men from the House and Senate. They will rewrite the bill, and it will come back to the House and Senate in form of a conference report. No Member is wise enough to predict what form this farm legislation will take, if it is enacted into law.

The administration has had more than 4½ years in which to work out a permanent farm program, and yet it finds itself in all this confusion at the end of that time. Is the administration trying to play politics with the American farmer? Does it desire to have a bill that will be overturned by the courts and then blame the failure for the lack of farm relief on the courts? Is it their purpose to try to continue in their efforts to control the votes of the farmers by regimentation and the hand-out of doles? If this is not the administration's purpose, why do they turn down the program submitted by the great farm organizations, the spokesmen of the farmers and the real friends of the farmers and insist upon driving through a measure that has their active opposition? These leaders of the farmers have devoted their lives in the study of the farm problems. Their opinions should carry great weight with the administration, as well as the Members of the House and Senate.

#### STOP DUMPING FOREIGN FARM PRODUCTS

Under the A. A. A. and our so-called Conservation Act we did create a scarcity in this country. We had millions of people that were hungry and cold. This administration forced through what is known as the Reciprocal Trade Act, giving to the President and his Secretary of State the power to enter into trade agreements with foreign countries. The Honorable Cordell Hull, who is Secretary of State, has been in charge of the negotiations in making these agreements. Secretary Hull is what I would call an old-time free-trade Democrat. Our Nation has entered into these agreements with 16 other nations, and there are now pending agreements with Great Britain and some other countries. These reciprocal-trade agreements reduce or cut out tariff protection.

Secretary Hull defends these treaties on the ground that they will promote the peace of the world. We have such a treaty with Japan, but it has not made her peaceful or peaceable. She has ruthlessly run over China and disregarded the rights of this Nation and its citizens in China.

Let us examine to see what effect these cut-outs and reciprocal-trade agreements have had on the farmers of this country. Hon. Henry A. Wallace, Secretary of Agriculture, on November 1, 1937, made his report to the President on matters affecting agriculture. On page 15 of his report is found this remarkable language:

In the fiscal year 1937 our total agricultural exports had a value of \$732,839,000, or 4 percent less than the fiscal year 1936. Because prices were higher, the reduction in volume amounted to 8 percent, and the total volume was the smallest in 60 years. On the other hand, our imports of agricultural products amounted in value to \$1,538,324,000, or 35 percent more than the fiscal year 1936.

Is not this a remarkable statement? Our exports of agricultural products for the fiscal year 1937 the smallest in 60 years when we are the greatest agricultural country of the world. On the other hand, our imports of agricultural products increased 35 percent over the fiscal year of 1936. In other words, for every dollar of farm products that American farmers sold and shipped to foreign countries, the farmers of foreign countries sold and shipped to the United States more than \$2—more than two for one.

The reciprocal-trade agreements, by pulling down our protective tariff walls, give preference to the cheap labor of foreign factories, as they do to foreign farmers. We have become an importing instead of an exporting nation. I can



appreciate the statements of our Democratic colleague from Florida when he points out the great injury that the reciprocal-trade agreements have inflicted upon the fruit and vegetable growers of Florida.

We list below a few of the multitude of agricultural products that have been brought into this country during the past year in competition with American farmers. Our colleague the Honorable ROY WOODRUFF, an earnest advocate of the cause of the farmers, used some of the same statistics. I consider them so important that I, too, am referring to them:

Head of live cattle.....	428,000
Pounds of meats, which included 62,000,000 pounds of pork and 85,000,000 pounds of beef.....	150,000,000
Pounds of butter.....	15,000,000
Pounds of cheese.....	66,000,000
Pounds of dried and frozen eggs.....	10,500,000
Pounds of wool.....	181,000,000
Bushels of barley.....	17,000,000
Bushels of corn.....	78,000,000
Bushels of wheat.....	48,000,000
Pounds of rice and rice products.....	58,467,000
Pounds of barley malt.....	434,000,000
Pounds of coconut oil (practically all used for butter substitutes).....	319,000,000
Pounds of palm oil (used in the manufacture of soap).....	360,000,000
Pounds of palm nuts and palm-nut kernels (used in the manufacture of soap).....	64,000,000
Pounds of cottonseed oil (substitute for butter and lard).....	201,000,000
Pounds of tung oil (used in paints).....	147,000,000
Pounds of soybeans and soybean oil.....	119,000,000
Pounds of forage-crop seeds.....	48,000,000
Pounds of peanut oil.....	45,000,000
Pounds of vegetables, common garden variety.....	551,000,000

The bill before us includes only five crops—corn, cotton, rice, wheat, and tobacco. During the fiscal year of 1937 we brought in 78,000,000 bushels of corn. Corn dropped from \$1.35 per bushel last spring to 35 cents at the present time, yet foreign corn continues to roll into the United States. Wheat prices have declined 50 percent, yet we brought in 48,000,000 bushels of foreign wheat and it still continues to come in. This bill is designed to aid rice, yet in the last fiscal year there was brought into this country 58,467,000 pounds of rice and rice products. Cotton and cotton products have dropped from around 20 cents a pound to about 5 cents a pound in many States and this bill is trying to do something for cotton, yet there was brought into this country in the fiscal year 1937 some 201,000,000 pounds of cottonseed oil (substitute for butter and lard).

It was claimed that if we repealed the eighteenth amendment we would use American fruits and American grains to make beer and liquors. It will be observed from this report that 434,000,000 pounds of barley malt and 17,000,000 bushels of barley were brought in to make beer, and in addition to that we brought in over 260,000,000 gallons of black-strap molasses out of which to make gin and other liquors.

We brought in 551,000,000 pounds of vegetables in competition with Florida and other vegetable-producing sections of this country. We had a big corn and hay crop in this country, yet we brought in 428,000 head of live cattle and 150,000,000 pounds of meats. These cattle and hogs should have been grown on American farms and consumed American corn, oats, and other products.

Yes; there should be a "cut out"—cut out the hogs, cattle, pork, lard, wool, corn, wheat, meat, fruits, vegetables, eggs, barley, rice, cottonseed oil, soybeans, potatoes, and other products that are being produced on foreign farms with cheap peon labor and shipped into this country. Let us give this American market to the American farmers and farms. If the American people are to be taxed to create good prices for farm products, give the American farmers the opportunity to work and produce these commodities and receive the benefits. This policy would meet the approval of farm leaders, I am sure. If this administration would cut out these reciprocal-trade agreements and restore protection to the American farmers, then something substantial and permanent would be done for them.

It would require more than the 40,000,000 acres that the administration proposes to take out of production to pro-

duce the \$1,538,324,000 of products of foreign farms that were shipped into this country during the fiscal year 1937. These foreign imports are on the increase.

The American people consume perhaps 94 percent of all we produce, and only about 6 percent at most goes to foreign countries. Let us not exchange this 94 percent or more of American markets for the imaginary benefits of a 6 percent or less foreign market.

I wonder how long it would take Kentucky to become prosperous if she cut out her own farm products and then sent over to Indiana, Ohio, and Illinois, and bought the supplies necessary to feed, clothe, and house the Kentucky people; or, to bring it down a little closer home, how long would it take a farmer to get rich if he cut out and destroyed the products of his own farm and put himself and his family out of work, and then bought his flour, meat, meal, and other products for the support of himself and family from his neighbor farmers? That is the identical thing this administration is doing. We have made these reciprocal-trade agreements with Japan and 15 other nations, and Japan and these other foreign countries are filling this country up with the products of their farms, factories, shops, mills, and mines. This administration is about to make a reciprocal-trade agreement with Great Britain and other countries, and among other things agrees to reduce the tariff on coal so that Great Britain can ship coal as well as other products of her shops, mills, and factories into the United States in competition with American capital, American mines, and other industries, and American workers.

We are also about to complete a treaty with Czechoslovakia. She is a great shoemaking nation. She has shipped into this country millions of pairs of shoes. When we lower the tariff with this reciprocal-trade agreement, she will ship into this country many more million pairs of shoes.

ABUNDANCE, PROSPERITY, AND HAPPINESS VERSUS SCARCITY AND MISERY

The scarcity program of the administration, assumes that there is and will be a large surplus of products providing food and clothing for the people of this country, and therefore, they propose in this measure to take 40,000,000 acres out of production. The fact is, it would require more than 40,000,000 acres to produce the \$1,538,324,000 of farm products of foreign farmers that were shipped into this country during the fiscal year of 1937, according to report of Secretary of Agriculture. These farm imports are on the increase. The American people consume approximately 94 percent of all we produce, and only about 6 percent of it goes to foreign countries. Let us not exchange this 94 percent of the American market for the imaginary benefits of less than 6 percent of foreign market.

I wonder how long it would take Kentucky to become prosperous if she cut out and destroyed her own farm commodities and placed her farm workers on relief, and then sent to Indiana, Ohio, and Illinois and bought the supplies necessary to feed, clothe, and house her citizens, or bringing it down a little closer home, how long would it take a farmer to get rich if he cut out and destroyed the products of his own farm and put himself and family out of work and then bought his flour, meat, and other products to support his family from his neighbor farmer? That is the identical policy this administration is pursuing.

Under the present administration policies we are not only cutting down our home markets for American farmers, but we have been destroying our world markets. Our Nation is the greatest food producing and the greatest industrial Nation of the world. Before we adopted the cut-out and reciprocal-trade agreements, the United States exported at least 8,500,000 bales of cotton, and in like proportion was exporting cattle, corn, hogs, wheat, and other farm products, but since the cut-out and trade agreements were put into effect our export trade has greatly declined. In the fiscal year 1937 we only exported about 4,400,000 bales of cotton. We reduced our export of cotton almost 50 percent and, according to Secretary Wallace, the volume of our export of farm products decreased 8 percent over 1936 and in the fiscal year 1937 our foreign exports were the least we



have had in 60 years. On the other hand, our imports for the fiscal year 1937 increased more than 35 percent over 1936, and for the first time in the memory of man, we have been turned into an import instead of an export nation of farm products, and this is also true as to industrial products.

Under these policies as the American farmers were forced to cut down their acreage the foreign farmers increased theirs. During the last 4 years foreign production in cotton has increased from 10,000,000 bales to 20,000,000 bales. It can be seen as we cut out and cut down our acreage foreign farmers increase theirs. They are taking advantage of our unwise policies, so that they may sell food and clothing products to the American people. To the extent that foreign farmers and foreign workers provide us with the products of agriculture to that extent do we take away the income and work of American farmers and American laborers and it is because of this policy that we have had millions on relief in the finest agricultural sections of the country.

We must finally adopt a policy that will put the American farmers to work. If we take away their employment we force them on relief or to seek employment in the mines, mills, shops, factories, and on the railroads in competition with industrial workers, and at the same time greatly reduce their purchasing power.

It requires several million workers and their families to cultivate and care for 40,000,000 acres of productive land. Are we willing to take their jobs away from them and force them on relief or force them to compete with workers of industry and add to the millions of unemployed in this country as well as add to the burden of the taxpayers of the Nation?

The President has reiterated time and again that about one-third of our population is underfed, poorly nourished, and poorly housed. Can anyone imagine these conditions being improved by scarcity? Scarcity means more scarcity, and it spells hunger, starvation, misery, unemployment, and doles. Consumption creates more consumption and means prosperity, peace, and happiness of the people. There can be no peace, happiness, and prosperity with scarcity and regimentation. Other nations have tried these same policies but no nation has ever yet succeeded. Let the American farmers work, give them the American market, and if there is a surplus, and it is necessary to aid them in caring for this surplus, I am willing for us to help take care of that situation. It would cost the taxpayers much less than the policy of scarcity and regimentation that we are now following. If we continue the present policy and continue to encourage foreign farmers to increase their production and permit them to ship their products produced by cheap peon labor into this country, the conditions of the farmers and farm workers will grow worse year by year.

If it is a sound policy to tax the miners, railroad workers, and other industrial workers to pay people not to work, not to produce, then it would be equally sound to tax the American people to pay railroads, coal mines, factories, and mills and industrial workers not to work and not to produce. The average farmer and his family are not looking for a dole. They do not want charity. They merely want an opportunity to produce for themselves and to receive a fair compensation on their investment and for their labor. They know that we cannot destroy ourselves into prosperity. They merely want a fair and equal chance with other Americans and to be protected in their markets as industry and labor are protected.

This administration should direct its policies toward a wider and greater distribution of products of the farm that provide food, clothing, and shelter for the people. The big problem in America today is not overproduction; it is underconsumption. We must think of the millions of Americans and the thousands in each of our congressional districts who are unemployed, hungry, and in dire need of food, clothing, and shelter.

A great commission established the fact that the A. A. A. took about a million farmers, farm tenants, and sharecrop-

pers off the farms on account of the cotton cut-out. They and their families represented about 5,000,000 people. Most of these people were forced onto relief and some were driven to the shops, mills, factories, and mines to compete with industrial workers.

Under the policy that others and myself have been and are now advocating, unemployment will be reduced, necessary food, clothing, and shelter will be provided for these 40,000,000 or more underprivileged American men, women, and children. Instead of creating by this policy of scarcity, additional millions of idle farmers, farm workers, and their families, we will increase purchasing power that will greatly add to the consumption of the products of industry, and thereby increase employment.

With the proper cooperation among themselves and the Federal Government, the farmers can and will, by their courage, intelligence, and industry in the future as in the past, work out their destiny.

#### NEW DEALERS ADMIT POLICIES HAVE FAILED

The administration insisted that it had found the solution for the farmer in its A. A. A. policy of regimentation and scarcity. The A. A. A. failed. We were urged in 1935 and 1936 to pass the farm-conservation bill and the so-called sugar bill, authorizing the administration to expend \$500,000,000 to take care of agriculture. The administration was given dictatorial power over the farmers and farms of this country. These measures were put into operation, yet we see a steady and heavy decline in the prices of farm commodities.

Now the administration by its acts admits that its farm policies have failed and offers this bill before us to relieve agriculture. We might point out, however, that the farm bill in the House differs very widely from the farm bill in the Senate, yet administration leaders in the House and administration leaders in the Senate are in charge of these bills. Evidently the administration cannot agree among themselves. Now come the great farm organizations denouncing both bills, and many of the outstanding farm leaders in the House and Senate are vigorously fighting both bills, and even the Secretary of Agriculture asserts that the bills are inadequate and will be a disappointment to the American farmers; yet we are urged in a confused situation like that to vote away the liberties of the American farmers and authorize the expenditure of \$565,000,000 of the taxpayers' money, and I am wondering, outside of cotton growers, what group of farmers this measure will benefit.

The cut-out as applied to cotton only applies to acres, not to bales or pounds. Under the Soil Conservation Act in 1937 there was a cut-out of acres and a lot of money turned over to cotton producers, yet with the generous use of fertilizer and plenty of rain and sunshine, we have the biggest cotton crop in history; 18,500,000 bales. The carry-over amounts to 6,000,000 bales, making a total of 24,500,000 bales on hand. About 6,000,000 bales will be used in this country during the next year, and approximately 4,400,000 will be sold in foreign markets. Before we entered upon the cut-out spree and had the reciprocal-trade agreements, we had a foreign market of about 8,500,000 bales annually.

Under this bill the acreage will produce 12,000,000 bales, so that our supply at the end of the 1938 crop year will be 26,000,000 bales. It can be seen at once that we must set about to restore our world market for cotton and increase home consumption. This bill will surely prove to be a "gold brick" to cotton farmers.

Now, as to tobacco; those producing 3,200 pounds or less will not come under the operation of this bill as to the cut-out. This bill is operative as to corn only in 10 States, and cannot apply until and unless there is a corn crop of more than 2,900,000,000 bushels. We have the largest corn crop this year that we have had in many years and it falls 500,000,000 or more bushels short of 2,900,000,000 bushels. Now, how is this measure going to help the price of corn unless the Government loans the corn producers more per bushel for their corn than the corn will sell for, as it is doing on cotton today? This measure does not reach the corn growers out

of the so-called commercial corn area of 10 States. It does not apply to the corn grown in Kentucky and these other 37 States in the Union.

This bill can go into effect as to wheat only when we have 1,100,000,000 bushels. The truth is our domestic consumption and exports are less than 700,000,000 bushels annually. Now, when can wheat possibly come within its provisions?

Rice, one of the smallest agricultural crops of the Nation, comes within the provisions of this bill. You will observe, however, that there is no provision to help the dairy industry that produces milk, butter, cheese, and other dairy products. The dairy industry of this country amounts to \$1,760,000,000, while corn is second with \$1,518,411,000. Cotton lint and seed combined amount to \$947,797,000 and wheat to \$625,338,000. Potatoes, cabbage, and other vegetables amount to more than our tobacco and rice, and our poultry products amount to more than wheat. Tobacco amounts to \$269,061,000 and rice to \$40,730,000.

The dairy people strongly object to this bill because it proposes to take 40,000,000 acres of corn, cotton, wheat, rice, and tobacco out of cultivation and put these lands into grasses, legumes, and other soil-building crops. They say this 40,000,000 acres will produce a surplus of hay, grass, legumes, and that will mean more milk cows, more milk, butter, and cheese. The livestock growers object to the bill for the same reason. The friends of the dairy industry in Congress got through an amendment providing that the Secretary of Agriculture cannot make any of these benefit payments for these 40,000,000 acres that will be sown in grasses and legumes if the farmers use any part of this grass or legumes to feed cattle and produce any milk, butter, or cheese and sell any part of it.

How many G-men and snoopers would it require to enforce this provision of this bill? The sheep and wool people have been forgotten, and so have the hog, cattle, and other stock raisers, and the producers of poultry and vegetables have likewise been lost in the shuffle, although these branches of industry amount to many times what rice amounts to. Louisiana, Texas, and one or two other States, however, had to be placated by putting rice in as one of the five farm products to receive special consideration.

The whole farm program of the New Deal has been one of partiality and favoritism, and this is made possible because the Secretary of Agriculture is given unlimited and dictatorial powers. I am interested in a bill that will give parity of price and cost of production to all of our farmers and to their products. I want to see the dairy producers, the stock raisers, the wool growers, the poultry people, and the fruit and vegetable growers secure a fair and equal opportunity in sharing in any farm program benefits with the producers of rice, cotton, wheat, and corn. They must pay taxes and help support this program, and they should have their just part of the benefits. Any other policy is not the true American policy of equal opportunities for all and special privileges to none. That used to be the slogan of the Democratic Party, but the New Deal has long ago buried that slogan. Favoritism and partiality is now their slogan.

#### BIG CORPORATION LAND OWNERS GET THE GRAVY

There have been taken from the American people approximately \$2,000,000,000 by way of processing taxes and other taxes for the purpose of aiding the farmers under the so-called A. A. A., Conservation, and Sugar Control Acts.

We frequently see the President photographed with some farmer in overalls giving the impression that the New Deal's paramount interest is in the little farmer. The record discloses, however, that the average small farmer of this country got some crumbs, a handshake, a smile, and a promise while the big land corporations got the money intended to relieve the farmer.

Senator LEE, Democrat of Oklahoma, places some very interesting information in the CONGRESSIONAL RECORD under date of December 2, 1937. When the A. A. A. was passed in 1933 the sums allotted to the various corporations and farmers as benefits were kept secret. Secretary of Agriculture,

who made these allotments, refused to disclose the names of persons receiving benefits under the Farm Act or the amounts. Finally, after a great deal of agitation, Congress passed an Act compelling the Secretary of Agriculture to submit the names of those who had received benefits of \$10,000 or more. On April 4, 1936, the Secretary of Agriculture submitted the names of rice producers receiving these farm benefits and from this report we find that there were nine rice producers in Louisiana that received the following sums: \$59,285.01; \$54,453.81; \$41,593.04; \$31,511.27; \$31,202.48; \$27,820.22; \$24,489.60; \$28,261.20. One rice producer in Arkansas received \$50,983.77. Seven rice producers in Texas received sums ranging from \$26,896.94 to \$45,870.62. In the State of California four rice producers received sums ranging from \$31,138.50 to \$63,768.75.

It can be seen from this report that the small number of rice producers in four States received an average of approximately \$40,000 of these farm benefits. Practically all of them were big corporations. One concern in Florida received \$41,454 for not raising tobacco. We have pointed out the big sums received by the big rice corporations in Louisiana for not producing rice.

Louisiana also fared well for not producing sugar. Seventy-four corporations and other big concerns in Louisiana received \$3,466,094.26. Each one of these 74 big concerns received on an average nearly \$50,000 each in the State of Louisiana not to produce sugar. These amounts range from a little above \$10,000 to \$256,010.56. Other concerns received \$170,676.16, \$181,523.11, \$197,333.49. This does not include those who received benefits of \$10,000 and less.

In the island of Puerto Rico, 28 concerns, mostly big corporations or big plantation owners, received \$931,161.16 in farm benefits not to produce sugar. This is an average of approximately \$33,250 for each one of these big concerns. One other big corporation producing sugar in Puerto Rico was paid \$961,064 not to produce sugar. A big cotton concern in Arkansas was paid \$140,000, another was paid \$115,700, and yet another was paid \$80,000, not to produce cotton. A big company in Mississippi was paid \$91,200, another company was paid \$123,747, not to produce cotton; and one of the amazing features about this report is that the State Penitentiary of Mississippi was paid \$43,200, and a penal institution of Arkansas was paid \$25,000, out of these benefits, not to produce cotton.

Under the corn-hog contracts one California corporation was paid \$157,020, a New Jersey company was paid \$45,194.38, not to raise hogs. Large payments were made to other corn-hog, wheat, and cotton growers. These large sums were not paid to the men in overalls. They were paid to the big concerns—the owners and operators who do not wear overalls. They are able to maintain lobbies here in Washington to take care of their interests.

According to the report submitted by the Secretary of Agriculture on April 4, 1936, there was paid to 26 sugar-beet operators in California and one in Colorado, the sum of \$779,414.28. That was an average of approximately \$30,000 for each one of these beet-sugar operators, paying them not to grow sugar beets. Each and every one of these was a big corporation or some big concern. These payments ranged from \$10,967.80 to \$65,505.25. According to report submitted on May 20, 1937, by the Secretary of Agriculture there were paid under the present agricultural-conservation program, approximately \$372,000 to 20 firms or persons, an average of approximately \$18,600 for each of these. The Delta Pine & Land Co. of Mississippi received \$60,388.06; the State penitentiary of Mississippi received \$37,488.40; the Arizona Citrus Land Co., \$47,682.47; the Maricopa Reservoir & Power Co. received \$19,269.90. These corporations and other firms and persons were paid these large sums of money not to produce. In the report on the agricultural-conservation program submitted by the Secretary of Agriculture on September 9, 1937, we find large sums being paid to various corporations, insurance companies, power concerns, etc., not to produce. For instance, the Equitable Life Assurance So-



ciety of the United States was paid \$53,976; the United States Sugar Corporation of Florida was paid \$80,821.92; Chapman Ranch of Texas was paid \$32,052.65 not to produce. Of course, this report only covers those receiving \$10,000 or more.

The average farmer has been receiving either a few crumbs or nothing, while the big corporations and owners of the great plantations have gobbled up the real money. Now, under the present bill there may be distributed under the direction of the Secretary of Agriculture \$565,000,000 annually. How will it be distributed? Who will get the money? We can only judge the future by the past. I am satisfied that for each dollar of benefits that comes to the small farmers of my section of Kentucky, as well as the Nation generally, they will pay in concealed taxes to maintain this program and the waste of this administration at least \$10. We produce no cotton, no rice, no sugar, very little wheat, very little tobacco in my district, and only about one-fourth of the corn consumed by the people of my district. This measure will cost the consumers of my district millions of dollars. It will cost the farmers in increased taxes and in the increased prices that they would be required to pay for cotton goods, rice, sugar, flour, and other commodities many times the small benefits that only a few of them would receive. Furthermore, farmers of my district, as I have been advised, are unwilling to be deceived longer by these political subterfuges, and are unwilling to pay this heavy tribute to the sugar, cotton, and rice producers of the Nation, and are unwilling to surrender their liberties and place themselves under the heel of some bureaucrat here in Washington.

From reports received throughout the Nation, there can be no doubt but what a lot of these so-called farm benefits are being used and have been used for political purposes. Partiality and favoritism are seen on every hand.

I am very much interested in a program that will bring lasting and substantial benefits to the average farmer of this country. It is the average small farmer and his family that really need help, and if we fail to reach these millions of small farmers, our efforts in developing this farm program will be a failure.

#### AMERICAN FARMERS DESIRE TO BE FREE—OPPOSE REGIMENTATION

Every farm proposal that has been brought out under this administration has sought to take away the freedom of the American farmer. The American people gave generously of their blood and fortunes to establish in this country a democracy. They desired above all freedom for themselves and their posterity. No group during the Revolution or other wars of this country have rendered more glorious or patriotic service than the farmers and their sons. In fact, the farmers were the backbone of the American Revolution. I am sure that the farmers of my district do not desire to surrender this priceless privilege. They will not give up their birthright as free men and free women, like Esau of old, for a mere promise of a mess of pottage. They are, I am sure, unwilling to place themselves and their farms in the hands of a few bureaucrats in Washington who are given the right under this bill to tell them when to sow, what to sow, how much to sow, when to reap, when to sell, and how much to sell; and if they should fail to obey these commands, then, under this measure, they would be subject to indictment and prosecution in the United States courts and to other penalties.

In Russia, Germany, and Italy, as well as other countries ruled by dictators and bureaucrats, the farms and farmers are subject to the will of a dictator, yet the condition of the farmers in those countries is immeasurably worse than it is in this country.

If the provisions of this bill should be literally carried out, it would require 50,000 G-men and snoopers. Every farm and farmer would be under the heel and subject to the beck and call of one man and his subordinates. Is there any one man in the United States wise enough to conduct the affairs

of each and every one of the nearly 7,000,000 farmers of this country?

Secretary Wallace and this administration desire the farmers and their families to be subject to their control. We have seen partiality, favoritism, and politics on every hand. This is the inevitable result where the people of any country place themselves in the hands of bureaucrats, men who were not elected by the people and who could not be elected.

Under the soil conservation program, for the last year there was spent by the administration as overhead more than \$40,000,000. This went to pay the high salaries and expenses of the great army of officeholders operating under that program. Now, I strongly favor a national conservation program. I am deeply interested in building up the soil of this country and in preserving our other natural resources, and I strongly favor the Federal Government taking an active hand in encouraging and helping such a program. This can be done, however, without placing all of the farms and farmers of this country under the control of one man and it can be done without producing a scarcity and without turning our markets over to foreign farmers.

There is no group in this country that possesses more "hoss" sense, more industry, and more patriotism than the American farmers. They understand their farm problems better than we do; they are just as patriotic as any other group; they love their country just as much as you and I; and if given an opportunity and with proper encouragement and reasonable assistance, and if given the protection we give industry and the workers of industry, they will come through gloriously.

#### LET AGRICULTURE AND BUSINESS COOPERATE FOR PEACE AND PLENTY

The administration for more than 4 years insisted that we could tax and squander ourselves into prosperity. With that attitude in mind, every session of Congress was called upon to vote new and increased taxes, and the annual revenues collected have increased more than 200 percent. All this money was spent and billions were borrowed, and the obligations of the Government were increased more than \$20,000,000,000. It was also urged by the administration that we could bring about good times by destroying the products of our farms and creating a scarcity, and we could also improve our condition by entering into trade agreements with foreign countries by means of which foreign farms and foreign factories have filled our country with their products. With all of this, extraordinary powers were granted to the President. Agriculture, labor, and industry were regimented.

Present economic conditions in this country prove the fallacy of these policies. The President, Secretary of the Treasury Morgenthau, and even Secretary Wallace now are urging that some of these tax measures were unwise and they must be repealed in order to give business an opportunity to carry on in this country. However, up to this time, nothing has been done about it. We must face the facts. The Government can provide only a small percentage of our population with jobs. If our country is to be prosperous, employment must be provided by the farms, factories, mills, shops, and mines of the Nation. Industry depends upon agriculture and agriculture depends upon industry and commerce depends upon both of these. They must work together. These great enterprises need encouragement. They should be put on an equal footing as nearly as can be. Industry and labor should not be pulled down but the farmers helped up. They should not be either taxed to death or harassed into bankruptcy.

I shall be glad to cooperate with the other Members of Congress and with the administration in working out a program that will set the wheels of industry turning, provide employment for the workers, give relief to those engaged in agriculture, and increase the purchasing power of the people of the Nation. Let us work out a plan that will give to the American people more food, clothing, and shelter, and better food, clothing, and shelter. Let us promote a policy of plenty rather than scarcity, and kindly

cooperation rather than class hatred. We have a great Nation of intelligent citizens, with unlimited resources. These resources should be brought into line for use of the people.

I am hopeful that this bill will be amended so as to preserve the liberties of the American farmer and insure to him and his family their fair share of the Nation's income.

Mr. FISH. Mr. Chairman, I move to strike out the word "cotton."

Mr. Chairman, I strike out the word "cotton" for the purpose of discussing the cotton situation from the point of view of one who comes from New York or any other State in the Union except the cotton States of the South.

I am not concerned whether this bill, if it passes, turns California into a Republican State. I am concerned with the prosperity of the country. If I could be assured that this bill would bring prosperity to the Southland, to the southern cotton States, I would vote for the bill.

I can say things that you Members from the South cannot say, for political reasons. I believe that the Southland, particularly the cotton States of the South, face a serious economic crisis, perhaps the most serious economic crisis they have been confronted with since the Civil War.

Cotton is now selling at 7.9 cents. The gentleman from Texas [Mr. SUMNERS] brought in a little politics in his remarks and talked about the price of cotton the last year of the Hoover administration. I would remind the House and the country that between the years 1920 and 1930, under Republican administrations, the price of cotton averaged 17½ cents. Today, after 5 years of New Deal experiments, wand waving, magical schemes, and Houdinis in the White House and the Department of Agriculture, cotton has gone down to less than 8 cents, actually less than the cost of production in many of the Southern States. According to the Agricultural Year Book, the average cost of production of cotton is 8.1 cents. Therefore, there must be something wrong in all these legislative efforts to control cotton and reduce production. The cotton growers are engaged in a dance of death with these magicians and wand wavers in the Department of Agriculture.

There must be something "rotten in the state of Denmark" and with the cotton-restriction plans of the New Deal. We have lost one-half of our cotton export trade. We have lost 3,000,000 bales of export cotton annually. We used to average, under Republican administrations, an export of 8,000,000 bales annually. By this sort of control, regimentation, and bureaucracy, and the type of legislation we have been passing year after year, if it had worked out, then we would not have much to say; but after 5 years of failures, things getting worse and worse, cotton going down and down, and losing our cotton export trade, it is time we revised our plans. It is time we tried to save our world markets for our surplus cotton.

Mr. COLMER. Mr. Chairman, will the gentleman yield?

Mr. FISH. No; I cannot yield.

As we lose these 3,000,000 bales of cotton export, along come Brazil, Egypt, China, Soviet Russia, and now Abyssinia, and not only sell 3,000,000 additional bales on the world market that belong rightfully to us, but this year alone they propose to increase their acreage about 5,000,000 bales, which will again reduce the existing American cotton export market.

I am concerned with the welfare of the country—not just with the Southern States. If you want to commit economic suicide, that is your privilege. If you want to throw away your foreign farm markets, again that is your privilege; but, as one who believes in the best interests of the country and wants to see the Nation prosper, I know that if you have economic chaos in the South the whole Nation will suffer. We ought to revise the unsound experiments and find out what is wrong. I have listened to Members from the cotton States one after the other rise and say this bill will not do

any good. If it will not do any good, let us legislate along sound lines and bring back our cotton export trade and help the American people. [Applause.]

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. JONES. Mr. Chairman, I would like to prefer a unanimous-consent request. We have been discussing this bill since a week ago yesterday, and we have talked about cotton half the time. It is an endless subject, and I love to talk about it, but the committee certainly would like to get through with this, one of these days. I wonder if I could not make a request that all debate on this part, referring to cotton, with the exception of the motion to strike out the substitute and the motion to strike out, be limited to 30 minutes. I make that request, Mr. Chairman.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on this part, with the exception of the motion to strike out the entire section, be limited to 30 minutes. Is there objection?

Mr. ANDRESEN of Minnesota. Mr. Chairman, we have not had any time on this side.

Mr. JONES. I will make it 40 minutes.

Mr. ANDRESEN of Minnesota. I shall not object if the gentleman will see that I get 15 minutes.

Mr. JONES. I will see that the gentleman gets some time. I could not assure him 15 minutes even though this debate continued all the afternoon.

The CHAIRMAN. Is there objection?

Mr. TAYLOR of Tennessee. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will report the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The Clerk read as follows:

Amendment offered by Mr. HOBBS: On page 63, line 16, at the end of section 358, change the period to a semicolon and add: "Provided, however, That marketing quotas for cotton for the year 1938 shall be announced by the Secretary within 10 days after this act shall have become a law, and within 30 days thereafter the Secretary shall conduct a referendum of all farmers who may be subject to such quotas to determine whether they favor or oppose such quotas. If more than one-third of the farmers voting in the referendum oppose such quotas, the Secretary shall, within 30 days after the referendum, announce the result of the referendum, and upon such announcement the quotas shall become ineffective."

Mr. JONES. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. JONES. Mr. Chairman, I understood that a reservation of objection was made before the Clerk read the amendment, not an objection.

The CHAIRMAN. The Chair understood that objection was made. The Chair heard objection made.

Mr. JONES. I would like to present that request again, for I believe it was a reservation of objection rather than an objection.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that debate on the pending part of the bill with the exception of the motion to strike out and the substitute be limited to 40 minutes. Is there objection?

Mr. GEARHART. Mr. Chairman, reserving the right to object, I have an amendment which means life or death to California, and I would like to be assured of an opportunity to be heard on the amendment.

Mr. JONES. I am perfectly willing for the Chair to recognize the gentleman. I think the gentleman should be recognized. He has been trying to get recognition.

Mr. TAYLOR of Tennessee. Mr. Chairman, reserving the right to object, there are some of us who have sat here throughout the week of which the gentleman from Texas spoke, and we might have an amendment that would be more appropriate near the end. For that reason I object.

The CHAIRMAN. Objection is heard.

The gentleman from Alabama [Mr. HOBBS] is recognized for 5 minutes.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I yield.



Mr. JONES. Mr. Chairman, I shall have to invoke the rule limiting debate to 5 minutes for and 5 minutes against each amendment.

Mr. HOBBS. Mr. Chairman, this amendment is the same in purpose as the one that was voted down a while ago. The first amendment applied to the acreage allotment, whereas this amendment relates to marketing quotas. Both would have the effect of putting the 1938 cotton crop under the influence of this bill. I presume, therefore, that the sentiment of the House will be the same; but I insist that if this conference of doctors who have been called to the bedside of this very sick patient have brought in a prescription, the patient should not be required to wait until year after next to take it, but that the medicine should be taken immediately. If this amendment be adopted it will place the marketing quotas in effect on the 1938 cotton crop.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Yes, sir; certainly.

Mr. LUCAS. What is the marketing quota for cotton under this bill?

Mr. HOBBS. The marketing quota for cotton is to be fixed and announced by the Secretary of Agriculture if and when he determines that the total supply of cotton as of August 1 exceeds by more than 15 percent the normal supply.

Mr. LUCAS. How many bales of cotton must there be before marketing quotas go into effect?

Mr. HOBBS. Fifteen percent more than the normal supply, which is normal domestic consumption, plus estimated exports, plus 40 percent.

Mr. LUCAS. How many million bales?

Mr. HOBBS. Twenty-one million bales are allowed in this act.

Mr. LUCAS. How many times during the last 10 years has the South, or all the cotton States together, had as their total supply 21,000,000 bales on hand?

Mr. HOBBS. Not very often.

Mr. LUCAS. Does the gentleman know how many times?

Mr. HOBBS. No. I am perfectly convinced that there never has been anything like the situation that now confronts us, with more than 24,500,000 bales as the total supply at this time.

Mr. LUCAS. Is there anything in this bill which tells the people or the country what we are going to do with the surplus cotton between what we consume plus export and what the marketing quota is going to be?

Mr. HOBBS. No.

Mr. LUCAS. In other words, does the gentleman agree with me that if these marketing quotas on corn, wheat, and cotton remain as they are it will be impossible for the Government to finance the surplus before quotas become effective?

Mr. HOBBS. Certainly.

Mr. MICHENER. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. Yes, sir; with pleasure.

Mr. MICHENER. Did I understand the gentleman to say that it was his judgment if the bill passes as now advocated by the committee that it would bankrupt the country?

Mr. HOBBS. I think it would eventually bankrupt the Cotton Belt.

Mr. MICHENER. That is enough.

[Here the gavel fell.]

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment.

The CHAIRMAN. Does the gentleman offer an amendment to the pending amendment?

Mr. ANDRESEN of Minnesota. No; I offer an amendment to the section.

Mr. CLASON. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, at this time I am rather disturbed in regard to the tobacco situation in the Connecticut Valley. That is the only crop covered by this farm bill that affects western Massachusetts today. That industry employs thou-

sands of men in the western part of Massachusetts in connection with the growing of tobacco. If the acreage is cut down 20 percent, then, as I see it, 20 percent of the labor will be thrown out of employment, making a serious situation throughout the summer and fall.

What is the situation in western Massachusetts today? May I read an editorial taken from the Sunday Republican, which claims to be an independent paper but is supposed to have New Deal leanings? This editorial appeared day before yesterday, in which it is stated:

Springfield's welfare load is increasing so rapidly as to be of the greatest concern to all persons connected with the city's finances and management. Since the 1st of July nearly 1,000 cases have been added to the outside relief rolls, including those receiving mother's aid. Since the 1st of October the number of welfare recipients in Springfield has been greater than at the same time a year ago, and today the figure is nearly 500 larger, the most since May 1, 1936.

The editorial goes on to say that Springfield is better off than most of the industrial cities of Massachusetts. However, the editor further states:

A high official of the State W. P. A. this week predicted that this winter would be the worst, from the point of employment and relief conditions, that Massachusetts has yet faced.

Mr. JONES. Mr. Chairman, I am sorry I must make a point of order, but the gentleman is not discussing this particular bill.

Mr. CLASON. I appreciate that, but I have been sitting here listening for a long time.

Mr. JONES. I hope the gentleman will wait until we finish consideration of the bill.

Mr. CLASON. This has to do with allotments.

The CHAIRMAN. The gentleman will proceed in order.

Mr. CLASON. Mr. Chairman, the last part of this editorial reads as follows:

Later he (this W. P. A. official) recapitulated and said that conditions already are more serious than he has ever known.

That is the condition which exists in western Massachusetts where we have a large acreage devoted to the cultivation of tobacco. If this condition prevails in Springfield, with its diversified industries, I would like to know from the committee what is going to be done to take care of the 20 percent of the laborers on the farms in the Connecticut Valley when the bill goes into effect? There is not going to be room for them in the cities and something has to be done in regard to relief. This means, in my opinion, that throughout the country over a million people will be put on the relief rolls and it means further additional W. P. A. appropriations.

Mr. Chairman, I believe that is a phase which has not yet been taken up seriously in the discussion of this bill. I would like to know how the States are going to be reimbursed by the Federal Government when the Federal Government, through this bill, puts so many of our farmers out of business. The chairman of the Committee on Agriculture has suggested that we ought to confine our remarks to the pending amendment and, I think, perhaps he is right. However, as a former district attorney, I am considerably worried with reference to the penalty provisions of this bill. We have five different crops and the only farmer who will be a criminal when this act becomes law is the tobacco farmer.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Alabama [Mr. HOBBS].

The amendment was rejected.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: Page 62, line 22, at the end of line 22, add the following language: "Provided, however, That in view of the abnormal and excessive supply of cotton available on December 1, 1937, the Secretary shall within 30 days after the enactment of this act establish marketing quotas for the cotton crop to be planted and harvested in the year 1938."

Mr. JONES. Mr. Chairman, I think that is the same amendment that was heretofore offered and I will reserve a point of order against the amendment.

Mr. ANDRESEN of Minnesota. I may say to the gentleman that the amendment is offered to a different section of the bill than the amendment proposed by other gentlemen.

Mr. JONES. As I understand, it has practically the same effect as the previous two amendments.

Mr. ANDRESEN of Minnesota. It comes under the marketing quota section.

Mr. JONES. Mr. Chairman, I will not invoke a point of order against the amendment.

Mr. ANDRESEN of Minnesota. Mr. Chairman, it is quite evident from the discussion that has taken place so far today with reference to the cotton section that nothing is being done in this legislation to give relief to cotton so far as the 1937 and 1938 crops are concerned. The amendment which I have just offered makes it mandatory upon the Secretary of Agriculture within 30 days after the passage of this act to establish marketing quotas for cotton.

Let us see what the cotton situation actually is today. We have a supply on hand of more than 24,000,000 bales of cotton. The domestic and export requirements will only take care of 12,000,000 bales, which means a surplus at the end of the coming year of more than 12,000,000 bales of cotton. If we produce from twelve to fifteen million bales on the reduced acreage next year, we will go into 1939 with from 24,000,000 to 30,000,000 bales of cotton on hand.

If the cotton farmer is to have relief, then this plan, if you believe in it, should go into effect just as rapidly as possible because if you do not raise the price which the cotton farmer is to receive, then you have accomplished nothing but disaster so far as he is concerned by the passage of this legislation.

Mr. FERGUSON. Will the gentleman yield?

Mr. ANDRESEN of Minnesota. I yield to the gentleman from Oklahoma.

Mr. FERGUSON. The gentleman used the words "relief of the cotton farmer." In what way would putting a quota into effect relieve the cotton farmer?

Mr. ANDRESEN of Minnesota. I think if we put the quota into effect it would limit the amount which could be sold.

Mr. FERGUSON. It would mean only that he could not sell that much cotton, and it would still be over the market.

Mr. ANDRESEN of Minnesota. I may say to the gentleman it would not exactly do that because there is no limitation on what a farmer can sell of his cotton produced on the allocated acreage. The quota provision and the marketing provision apply only to the cotton which is produced on the acres over and above the acreage allotted to the farmer by the Secretary. My next amendment will seek to put a marketing quota on the cotton produced on the allocated acreage, just as it is in the bill for wheat and corn.

Mr. FERGUSON. But the quotas on cotton or any other product have nothing to do with the acreage. They do not control the acreage in any way.

Mr. ANDRESEN of Minnesota. The gentleman is absolutely correct. Under the Soil Conservation Act, however, the Secretary allocates the acreage of cotton, wheat, corn, rice, and all of these other commodities. In order for the farmer to receive the benefit payments he must comply with the allocation given him by the Secretary of Agriculture.

I hope the amendment will be agreed to in order to give the relief desired by the cotton producers.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, this is practically the same amendment that has been voted down by the Committee twice heretofore in a little different form.

Here is the curious thing to me: I have a high regard for my genial friend the gentleman from Minnesota; but, as I recall it, he voted yesterday to strike out the control provisions on wheat in his area. I wonder why the gentleman now wants to clamp down the control provisions on cotton all of a sudden.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. The gentleman knows I have been consistent in my position in our Committee on Agriculture. I have opposed compulsory control on cotton and on all the other commodities.

Mr. JONES. I am just wondering why the gentleman wants to hurry up the control at this particular time. This does not seem quite consistent to me.

Mr. ANDRESEN of Minnesota. Let me say this—

Mr. JONES. I will yield for an explanation.

Mr. ANDRESEN of Minnesota. I love the chairman, as he knows. If this bill is going to do any good for agriculture, which is now suffering, it should certainly go into immediate operation in order to help the farmer.

Mr. JONES. Is not the gentleman, however, really just trying to complicate this provision so there will be stronger support for a motion to strike it out?

Mr. ANDRESEN of Minnesota. No; the gentleman is in error. I want to help the bill. I voted with the gentleman yesterday.

Mr. JONES. I concede the gentleman's good faith.

[Here the gavel fell.]

The CHAIRMAN (Mr. WARREN). The question is on the amendment offered by the gentleman from Minnesota [Mr. ANDRESEN].

The amendment was rejected.

Mr. ANDRESEN of Minnesota. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDRESEN of Minnesota: Beginning on page 62, line 25, and ending on page 63, line 1, strike out the following language: "or the actual production, whichever is the greater."

Mr. ANDRESEN of Minnesota. Mr. Chairman, at the present time this section is written so any farmer may sell or market all of the cotton produced upon the allocated acreage. The purpose of my amendment is to give each of such farmers a marketing quota limiting the amount of cotton he may sell over and above normal production. This is similar to the provisions now in effect on corn and wheat in the appropriate sections of the bill.

The reason I am doing this is to try to bring about some uniformity and keep the record straight for the production control program. You will find that if there is no marketing quota for cotton a large percentage of the cotton farmers will use their allocated acreage and will double up on their use of fertilizer so as to increase production from 170 pounds per acre to possibly 250 pounds per acre. Unless this amendment is adopted the entire program will break down, because each cotton farmer may dispose of his entire production of cotton upon the allocated acreage without penalty or restriction.

Some have told me there would be no danger of the cotton farmers using more fertilizer. In thinking this matter over I thought I would look up the record in connection with the debate on the Bankhead Act to see why it was necessary at that time to have compulsory control for cotton, both production control and market control. I found that our distinguished Speaker [Mr. BANKHEAD] at that time stated the farmer would not cooperate. I now quote from page 4635 of the CONGRESSIONAL RECORD of March 15, 1934, the Seventy-



third Congress, where our distinguished Speaker stated as follows:

One of the reasons why the farmers have not been able to cooperate and get results heretofore is that when we have made these efforts to reduce one man's neighbor says that he is going to reduce his acreage, and the other man says, "Now is my chance. I will get in and make a killing."

That is the truth about it. Why do we say we cannot control them? The evidence shows that all over the Cotton Belt fertilizer sales, as compared with last year, have increased more than 100 percent. In some sections of the country they have increased as high as 300 percent. I had the figures here somewhere, but I have mislaid them.

These figures were later inserted, and they show that from 1933 to 1934 there was an increase in the sale of fertilizer from 466,000 tons to 918,000 tons in the cotton States.

Unless you have some restriction upon the marketing of cotton which permits the farmer to sell his normal production, and then requires him to put his surplus production into the so-called every-normal granary, you are going to have difficulty. This is why I am offering my amendment, in good faith, to let you who represent the cotton sections vote on whether or not you want to have really effective control in order to aid the cotton farmers.

Mr. Chairman, I hope the amendment will be agreed to. [Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto do now close.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. ANDRESEN]. The amendment was rejected.

Mr. GEARHART. Mr. Chairman, I offer an amendment. The Clerk read as follows:

Amendment offered by Mr. GEARHART: Page 60, line 4, after sec. 355 (a), strike out all of said paragraph, beginning with the word "The", in line 4, and ending with the period on line 13, and insert:

"The national acreage allotment for cotton for each year shall be apportioned by the Secretary among the several States on the basis of the acreage yield and acreage devoted to the production of cotton during the calendar year immediately preceding the calendar year in which the national acreage allotment is determined (plus, in applicable years, the acreage diverted under previous agricultural conservation and adjustment programs) with adjustments for abnormal weather conditions and trends in acreage during the applicable period."

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 6 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GEARHART. Mr. Chairman, a few moments ago I rose to point out the inequalities, the unfairness, and the lack of justice which characterize this bill. I pointed out that when 1 acre is taken out of production in California, California is compelled to sacrifice 580 pounds; that when 1 acre is taken out of production in Texas the people of that State will be required to sacrifice only 191 pounds for that acre.

Mr. KLEBERG. Mr. Chairman, will the gentleman yield right there?

Mr. GEARHART. No; I am sorry. I cannot spare the time.

A few moments later the distinguished Texan, the chairman of the Judiciary Committee, rose to point out that this formula worked in our favor also, because that, for every acre left in production in California, California would be able to raise 580 pounds and that, for every acre left in production in Texas, Texas could only raise 191 pounds. This is no answer. This merely emphasizes another cruel

inequality because under this hated, iniquitous reduction formula, California is reduced 61 percent of her acres and Texas is reduced only 12 percent of her acres.

Now, there is a fair way to bring about reduction in the United States. If it is desirable that we reduce our national acreage allotment from 33,736,000 acres down to 28,000,000, as advocated by the Department of Agriculture, that objective can be accomplished by each cotton-producing area reducing its acreage 17 percent, sacrificing production area equally. If you adopt my amendment that is exactly what will happen throughout the United States; and in asking you to accept a fair, equal reduction in every cotton-raising area in the United States of 17 percent, I ask you to deal fairly with yourselves as well as with others who live in the newer areas out in the West.

If I were a Mississippian I would rise in protest and denunciation of this bill, just as I have risen to protest against it and to denounce it as a Californian. Why? For every acre that is taken out of production in Mississippi, Mississippians will be required to sacrifice 328 pounds. Why should Mississippi be thus treated as against her sister State of Texas, which will only reduce by the insignificant poundage of 191? If I had the time I would go down the line and give the figures applying to every Southern State, leaving out of consideration California entirely, and I would point out and convince you beyond the peradventure of doubt that every State in the old Cotton Belt is being discriminated against, is being dealt with unjustly, is being treated unfairly by this proposal to reduce acreage on a 5-year historical basis as required by and defined in section 355 (a) of this iniquitous, this abominable, this utterly indefensible measure. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, if there is one State that is really favored by the provisions here, it is California, because while the other States were reducing from 1933 to 1937, California increased from 200,000 to 700,000 in her production.

Mr. GEARHART. At an expenditure of \$50 per acre in preparing our land.

Mr. JONES. We give her one half of what they have been growing just 2 years. In other words, California is increased above the 5-year average, while all the other States are decreased.

Mr. GEARHART. Under this absurdly unjust measure the State of Arkansas will be permitted to increase her acreage by 33,000. Every other State reduces but no State as much as one-third as many acres as California will be called upon to forego cultivating. My figures are Department of Agriculture figures.

Mr. JONES. No; there has not been any increase in any one of the Southern States and the gentleman's figures are entirely wrong on Texas.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California.

The question was taken; and on a division (demanded by Mr. GEARHART) there were—ayes 29, noes 59.

So the amendment was rejected.

Mr. TARVER. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 62, line 4, strike out all of subsection (f).

Mr. TARVER. Mr. Chairman, it is pretty difficult for me to understand what this subsection means. I think it is probably entirely a matter of what construction will be placed upon it by the Department of Agriculture, but in order that the RECORD may show how it is to be construed in the opinion of the Committee on Agriculture, I ask the chairman of that committee if it is not true that this subsection applies particularly to benefits payable under the Soil Conservation and Domestic Allotment Act rather than to the quota provisions of this portion of the bill?

Mr. JONES. Mr. Chairman, there is a similar provision which applies to the Soil Conservation and Domestic Allotment Act. This applies to the quota provisions, and it is applicable only where a man is given a certain allotment and decides not to grow that amount. For instance, if he were given 40 acres allotment and grew only 1 acre, you would not want to make the payments to him, you would not want him to have all the advantages, and you simply give him the advantage of 25 percent above what his actual acreage is.

Mr. TARVER. That is the very point stated in a different way. We will say that two farmers have farm acreage allotments of 100 acres. One plants 80 acres and the other 50. The program as now carried on authorizes payment for reductions from 20 to 50 percent. According to this subsection, as I understand it, the man who plants 80 acres of his 100-acre allotment would receive a greater soil-conservation benefit than the man who cuts down from his 100-acre allotment to 50 acres. Is that right?

Mr. JONES. No; that is not correct, because the other man would not cut to that extent, but there is a possibility, of course, of a man who does not cut as much getting greater benefits. On the other hand the man who cuts most gets the greatest percentage of benefits. He gets 25 percent.

Mr. TARVER. I can see no reason—and farmers in my district who are interested have written me expressing the viewpoint that I entertain—for penalizing the man who cuts down more drastically than his neighbor and paying his neighbor who does not cut down to the percentage he does in his cultivation and production of cotton a greater percentage of benefits.

Mr. JONES. This gives him a premium of not to exceed 25 percent if he cuts below.

Mr. TARVER. If he has 100 acres allotment and cuts to 50, he is given 25 percent, or a possible acreage of 62½, and the man who cuts from 100 to 80 gets the full amount of his 100-acre allotment in the consideration of benefits to be allocated under the soil-conservation program; and that is a thing that I say is not fair—to penalize a man who is willing to go further in the reduction of his cotton acreage than his neighbor, who gets a larger percentage of benefits. If I have misunderstood the meaning of this subsection, well and good. As I say, it is difficult for me to understand, and it may be my fault. I think it is altogether a matter of construction by the Department, as so many provisions of this bill will be, and there is nothing clear about it. If the Chairman can clarify the meaning of this subsection, I shall appreciate his undertaking to do so.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close at the end of my statement, not exceeding 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, this amendment was put in to take care of this kind of a situation. There is no use of comparing people particularly. Let us take one man who has 100 acres who is allotted 60 acres. He decides that he is going to grow some other commodities that year, and he only wants to grow 30 acres of cotton. You cannot give the man his full acreage allotment because he might grow only 1 acre and still claim 100-percent premium. You have to put a small limit on it; and so we say that if he cuts to 30 acres, we will give him the benefit of 40 acres, a little additional above what he plants—not enough to run the thing wild. Suppose in the particular instance the man is given an allotment of 60 acres, and says, "I can get all of my benefits if I do not produce cotton at all and I will grow just 1 acre and use my farm to raise a lot of other things." That would not be fair, and so it is an effort to

give the fellow who produces actually more than he has agreed to a limit on the advantages.

Mr. TARVER. Is not the object of the program to reduce cotton production?

Mr. JONES. No, sir.

Mr. TARVER. Should not the man who reduces most receive the most benefits?

Mr. JONES. The primary object is to conserve the national soil resources of America, with some incidental control of production, and even in emergency situations not to control production—there is no element of production control anywhere in this bill. A man can grow all the cotton he wants to. We only regulate marketing in commerce. That is all. I wish the gentleman would quit calling it that, because I do not want this Record to be filled with misapprehension.

Mr. TARVER. The reason I called it that is the fact that in the admirable report of the gentleman's committee on the first page it says that the necessity for this legislation is brought about by a surplus of agricultural products.

Mr. JONES. That is it.

Mr. TARVER. And thereby indicates that the purpose of the bill is to regulate agricultural surpluses.

Mr. JONES. Well, that is a different thing. This is not an effort to regulate production. A man can produce all he wants to. He can plant every acre on his farm and still not be subject to any penalty if he does not market in commerce that particular amount, or he can carry it over until next year if he produces more one year. So it is a question of marketing in commerce, just like these coal gentlemen have in their bill. It is altogether different proposition. I want it understood that this is not production control.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The amendment was rejected.

Mr. WHITTINGTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 63, line 18, after the word "if", strike out the following: "prior to July 1 in any calendar year."

Mr. JONES. Mr. Chairman, I think that amendment is all right. I believe it will give more leeway and will enable them to handle the situation.

The CHAIRMAN. Without objection, the amendment will be agreed to.

There was no objection.

Mr. WHITTINGTON. Mr. Chairman, I have a further amendment, which was reported in the Record this morning. It is on the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. WHITTINGTON: On page 59, line 8, strike out the period, insert a comma, and add "excluding such acreage devoted to crops produced for market other than cotton."

Mr. WHITTINGTON. Mr. Chairman, I have just this to say: Paragraph (m) gives a definition of tilled acreage, and the definition is as follows:

Tilled acreage shall be farm land which is tilled annually or in a regular rotation.

My amendment adds "excluding such acreage devoted to crops produced for market other than cotton."

There is a quota for cotton in the counties as well as in the States, based upon tilled acreage. My amendment would exclude, in the calculation of that tilled acreage, the acreage in those counties devoted to other crops. In some cases there are crops that are not soil depleting. The chairman amended to cover soil-depleting crops embraced in this bill, but there is the case of sugar, there is the case of peanuts, there is the case of vegetables—there are other cases where there are money crops that could still be included and would give an advantage to those counties where they are included, in the tilled acreage to cotton.



By and large, cotton is the cash crop in my district, but I trust I am broad enough to look beyond the confines of my own district in which I live and look at the cotton program generally. I would not want a program that would look only to the district I represent. This looks to the entire South, to the cotton grown in every State. I have counties where there are other cash crops to a smaller degree than in other counties, produced for cash, and they should be excluded. That same situation applies elsewhere.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MICHENER. Mr. Chairman, we have been debating this bill for a week now, and I am sure most of us have been proceeding under a misapprehension of the facts if this bill does not have for its purpose the reduction of cotton through acreage control. More than three-fourths of the time in debate has been taken up with a discussion of cotton acreage and limitation entirely.

Practically every man who has discussed cotton—with the exception of the chairman of the committee—must have been laboring under a misapprehension of the facts, because the whole debate has been along the line of crop control, crop reduction, cotton-production control, cotton-production limitation. The chairman has now told us within the last 10 minutes that the real purpose of this bill is soil conservation and nothing else, and that if there happens to be any production or crop control in this that it is merely incidental, but that he wanted the RECORD to show that this bill was not for the purpose of controlling crop production. I assume that was for the purpose of calling the attention of the Supreme Court to these alleged facts.

Mr. JONES. To the facts; that is right.

Mr. MICHENER. And to the intent of Congress. The gentleman says that is right; but you and I know the real purpose. I do not think we are going to fool the Supreme Court when we spend a week discussing the question of crop control.

A Supreme Court Justice or any other individual of ordinary ability who perceives, considers, and thinks at all can reach but one conclusion after reading the report of this committee and the debate as recorded in the CONGRESSIONAL RECORD. As we all know, the Supreme Court, under previous rulings, gives consideration to the report of a committee reporting legislation, and does not as a rule give attention to the debate on the floor because the committee report is the considered conclusion of the committee, while the debate reports individual views, which views reach fruition in the final vote on the bill.

The report of the committee advises us that the purpose of this bill is to take care of the surplus of the five commodities dealt with in the bill. It then proceeds to explain how this is done by limiting acreage and controlling marketing through compulsory quotas. It is true that pages of the bill are consumed in a recitation of facts concerning interstate commerce in the several commodities and their derivatives. This recitation is in no sense binding, and such a statement should have no place in the judgment of the Court unless the Court finds it is substantiated by the facts. The Delta cotton district, the newly developed irrigated cotton lands in Arizona and California, and the virgin cotton land in Texas do not need immediate attention so far as conservation is concerned, while the lands in South Carolina, for instance, are just about as thin as land can be and grow cotton. While these are the facts, as we all know, yet we have not heard them mentioned in this debate. The whole quarrel between the cotton representatives is over the quantity of cotton they will be permitted to produce. If this bill does not primarily contemplate cotton reduction, then we are talking about one thing and doing another.

If I am correct in this statement, then the mere fact that the chairman of the committee makes the bald assertion that this is a soil-conservation bill and that it is not intended by the bill directly to affect crop control cannot possibly change the situation. The truth is the splendid chairman is on a hot spot. The A. A. A. and the Bankhead Control Act were declared unconstitutional. Then the soil-conservation program was adopted as a method of distributing benefits to farmers. The crop production, however, was not controlled by any compulsory means. I sympathize with the chairman in the dilemma in which he finds himself. The fallacy of this bill is spectacularized when he writes the law to help the cotton farmer and opposes putting it in effect before 1939, 2 years from now.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, if my friend from Michigan will read the bill and the report he will find that it does not have any production control in it. Its object is the control of the marketing of surpluses. That is the only element that supplements soil conservation.

This particular amendment of my friend from Mississippi affects the district which I represent. We would be greatly benefited by it because we grow, not only cotton, but wheat and other commodities. Under it we could get our full cotton allotment and the other commodities as well. Frankly, I think it is an absurd situation. I think it is fair to leave the bill as it is because we take the tilled acreage basis and take into consideration the other soil-depleting crops that are grown in fixing the percentage of the soil-depleting crops.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. WHITTINGTON. Does not the amendment I offer propose to exclude your tilled acreage to other cash crops in determining the cotton acreage? That is the very purpose of the amendment.

Mr. JONES. Yes; but under the gentleman's own explanation of his amendment I would get my full cotton acreage regardless of the fact that I was growing wheat or some other soil-depleting crops within the program.

Mr. WHITTINGTON. Only that acreage which has been cultivated in cotton for 5 years under my amendment. My amendment would exclude from tilled acreage the acreage devoted to other cash crops. The acreage devoted to other crops should not be included in allocating cotton acreage.

The CHAIRMAN. The time of the gentleman from Texas has expired; all time has expired.

The question is on the adoption of the amendment offered by the gentleman from Mississippi.

The amendment was rejected.

Mr. MURDOCK of Arizona. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MURDOCK of Arizona: Page 60, line 13, after the period, add the following: "In the case of cotton in computing allotments for State, counties, or other administrative areas all land planted to cotton for not more than two of such years shall be one-half of the acreage which would be permitted had such lands been planted to cotton for the full 5-year period. On lands on which cotton has been planted on three of such years shall be three-fourths. And if planted four of such years shall be four-fifths of the acreage which would otherwise be made."

Mr. MURDOCK of Arizona. Mr. Chairman, I have no desire to prolong this drawn-out discussion, but I do feel that I owe it to my State to offer this amendment and give some of the reasons therefor. I have heard much said during general debate about the great contrasting problems whether we as a Nation should pursue a policy of reduction or a policy of greater production. I must say that if I had to take my choice, I would prefer that this Nation followed a policy of more abundant production. This would mean, however, that we would have to increase the American market by increasing the purchasing power of our people. I would like to do that. I wish we might legislate with a long-range



view for a greater period of time. However, I am in agreement with the general purposes of this legislation, and that is that; at least temporarily we must pay some attention to reduction to maintain farm prices until such a time as we can insure adequate farm prices some other way.

You say reduce. Somebody is going to be hurt however we reduce. I have heard much contrast made by my friends from the deep South as between the large farmer and the small farmer. If there is any contrast there and real conflict of interest between the large farmer of cotton and the small farmer, I want it distinctly understood that my sympathies are with the small farmer. Let us take care of the small farmer who makes a living off his few acres before considering the big fellow who, in a sense, speculates in the production of cotton. I call your attention now—and my time is fast escaping me—to another contrast in this unmodified bill, and that is, as my friend from California and several others have pointed out, an inequality between the older cotton-growing States and the newer cotton-growing States. Some place in Holy Writ I have read that unto him who hath shall be given, and from him who hath not shall be taken away even that little which he hath. [Laughter.] Is it possible that the Agriculture Committee's action in regard to cotton-growing communities is an attempt to carry out the Biblical injunction through this legislation? Alas, for the beginning communities—but I do not regard this as justification.

Now, if I could only be assured that what a member of the committee—I think the chairman or the ranking member of the committee—had said is true, I would not have offered this amendment. Did I not hear it said concerning a Southwestern State that all new lands in that State which had grown cotton only in 1937 would be permitted to grow half as much in 1938?

As I understand the amendment offered by the gentleman from Texas [Mr. THOMASON], on page 6, new lands are being considered if the land has been cultivated for 1 or 2 years; that is, such lands may be granted a 50-percent increase. This, however, as I understand it, applies only within the counties but does not in any way enlarge the privilege of acres or production to States which have taken up the cultivation as a new undertaking. If the chairman of the committee will make it clear that in allotting acreage these lands that have been in cultivation for not more than 1 or 2 years will be given a 50-percent increase, and that the increase will apply to the State allotment instead of merely to the county allotment, I shall be satisfied. This is the very purpose of my amendment. As you will notice, it is couched in the words of the Thomason amendment to page 6 of the bill.

I believe that was the intent of the amendment offered by my colleague from Texas [Mr. THOMASON], and I think the committee has recognized that fact, but I am not sure.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. MURDOCK of Arizona. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. The adoption of the amendment which my colleague from Arizona has offered, which incorporates practically the same language as the Thomason amendment, would go a long way toward preventing the inequality and injustice that has been done States like Missouri which have not been able to get an adequate State allotment.

Mr. MURDOCK of Arizona. The gentleman is correct.

Mr. ZIMMERMAN. It will cure that trouble?

Mr. MURDOCK of Arizona. The gentleman is correct. At least, it will help in part to remedy the inequality.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, the pending amendment is an entirely different proposition from the Thomason amendment, which had to do with allocation within the counties as between farms. If this amendment is adopted it would be unfair as far as the division between States is concerned. Some of the States have increased their production while other States were reducing during the operation of these periods, thus receiving the advantage of better prices during that period.

We have taken care of that to a large extent. Heretofore we have had fixed years. Now we reallocate every year so that within a period of 5 years you can have a full allotment on absolutely new land. We have gone a long way in this bill to give the gentleman's district an advantage over what it would have if this amendment is not agreed to.

Mr. ZIMMERMAN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Missouri.

Mr. ZIMMERMAN. Does not the gentleman think we ought to take into consideration the fact that cotton farmers from some of our Southern States have lived on land down there not adaptable to the growing of cotton and have gone to States like Missouri and other States and have cleared farms, built homes, and so forth, and are now paying heavy assessments?

Mr. JONES. If they grew cotton in the South without limit, your people could not get enough for the cotton to pay the interest on their obligations, much less a profit.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Arizona [Mr. MURDOCK].

The amendment was rejected.

Mr. TAYLOR of South Carolina. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. TAYLOR of South Carolina: On page 66 add a new section, to be known as section 362, to read as follows:

"Notwithstanding any other provision in this title, it shall only apply to those who participate in the referendum."

Mr. TAYLOR of South Carolina. Mr. Chairman, this amendment, if adopted, will offer a millennium in the fight on this agricultural bill, because it will allay the fear of those who doubt its constitutionality, and I am one of that number; it will satisfy those who are displeased with what they allege to be discrimination in the allotment of acreage of cotton and it will also satisfy the requirements of the Government with respect to the regulation of the production of cotton.

You will notice it takes two-thirds to invoke the regulations provided under this bill. If two-thirds of the farmers really believe in this bill, they can regulate acreage. Let them voluntarily come in, and if two-thirds want to rent to the Government their acreage allotted to cotton, they can reduce the production of cotton to one-third of what it is now. I contend this will satisfy every aspect that is sought to be accomplished by this bill, and I most earnestly urge that my amendment be agreed to.

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, of course, the adoption of the gentleman's amendment would make the whole referendum utterly worthless. I think that is very clear, and I therefore ask for a vote on the amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Carolina [Mr. TAYLOR].

The amendment was rejected.

Mr. MASSINGALE. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. MASSINGALE: Page 60, after line 22, strike out all of line 23 and all of line 24 down to and including the word "percentage" and insert the following:



"On the basis of the acreage devoted to the production of cotton during the 5 calendar years immediately preceding the calendar year in which the national acreage allotment is determined, plus, in applicable years, the acreage diverted under previous agricultural conservation and adjustment programs, with adjustments for abnormal weather conditions and trends in acreage during the applicable period, which basis."

Mr. JONES. Mr. Chairman, I reserve a point of order. The particular paragraph has been amended. I reserve the point of order for the purpose of stating that the gentleman came to me with a suggestion yesterday and we used it. I undertook to put in an amendment just what the gentleman suggested, and that amendment was adopted. I think it takes care of what the gentleman has in mind. He was responsible for the amendment which I offered at that time.

Mr. MASSINGALE. Mr. Chairman, I may say that what the chairman of the Committee on Agriculture has just stated is about correct. The amendment which I have offered is designed to harmonize the basis of allotments to all States and farms. After checking over the amendment offered by the chairman of the Committee on Agriculture I believe he has substantially covered the matter in perhaps a better manner than I attempted to do in my amendment.

Therefore, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. HOBBS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment by Mr. HOBBS: Page 62, line 13, strike out "by more than 15 percent."

Mr. HOBBS. Mr. Chairman, this, to my mind, is a vital amendment. It is the most important amendment I offer today, or which I believe can be offered with reference to cotton.

If you will turn to section 356, on page 62, you will see that "whenever the Secretary determines that the total supply of cotton," which, as defined in the bill, means the carry-over plus the estimated production, "as of August 1 of any year, exceeds by more than 15 percent the normal supply," which, as defined in the bill means a normal year's domestic consumption, plus exports, plus 40 percent, he shall so announce, and the next year the marketing quota shall apply.

The point I am asking is that this goes right to the root of this matter. There can be no disputing the fact that the carry-over determines the price of cotton. We saw the carry-over rise from 6,000,000 bales on August 1, 1936, causing a price of 12½ cents a pound through that season, to 11,000,000 bales on August 1, 1937, by which time the price had dropped 5 cents a pound to 7½ cents, through the peg of the 9-cent loan which was designed to stop such a drop in price. If you increase the carry-over to 16,000,000 or 20,000,000 bales, which this provision may mean, you will see the price of cotton drop another 5 cents a pound just as inevitably as sparks fly upward or water runs down hill.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HOBBS. I am glad to yield to the gentleman from Minnesota.

Mr. ANDRESEN of Minnesota. The gentleman knows the marketing quotas apply only to the acreage over and above the acreage allotted by the Secretary.

Mr. HOBBS. Yes.

Mr. ANDRESEN of Minnesota. Therefore, any cotton grower can raise as much cotton as fertilizer will permit upon the allocated acreage, and you might have a 15,000,-000-bale crop on the acreage allotted.

Mr. HOBBS. Certainly. You might have 20,000,000 bales. There is no one that knows cotton who does not know you can raise more cotton on 60 acres than you can on 100 acres.

Mr. McFARLANE. Mr. Chairman, will the gentleman yield for a question?

Mr. HOBBS. Yes; I yield with pleasure.

Mr. McFARLANE. May I say to the gentleman I have a first cousin in Texas, John McFarlane, who for 2 consecutive years won the Dallas News second prize for producing 15 bales of cotton on 5 acres. This shows what is possible.

Mr. HOBBS. Yes. Let me answer the gentleman's question. I recognize the fact this applies to marketing quotas, but what does that mean? That means you are simply going to hold out of the stream of interstate commerce so much cotton. You will have the threat of it there, depressing the price, whether it can go on the market or not. These fellows who have been manipulating the commodity markets since the year 1 are smart enough to take advantage of such a situation.

In conclusion, I beseech you, when you add the 40 percent to the total consumption—both domestic and foreign—to make the ever-normal-granary reserve supply, do not add the 15 percent additional and make it ever-abnormal! [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, I ask unanimous consent that all debate on this part and all amendments thereto close in 5 minutes, with the exception of the amendment to strike out and the amendment to strike out and insert.

The CHAIRMAN. Before stating the question, the Chair may inform the gentleman there is on the desk an amendment offered by the gentleman from Illinois, Mr. KELLER, a further amendment offered by the gentleman from Alabama, Mr. HOBBS, an amendment offered by the gentleman from Texas, Mr. POAGE, and, finally, an amendment to strike out.

Mr. JONES. I wonder if these gentlemen want to be heard on their amendments?

Mr. KELLER. I want to be heard on my amendment.

Mr. HOBBS. I do not want to be heard on my amendment, but I should like to have my amendment voted on.

Mr. JONES. Does the gentleman from Illinois want to be heard on his amendment?

Mr. KELLER. Certainly.

Mr. JONES. How much time does the gentleman want?

Mr. KELLER. Perhaps 2 minutes, if the gentleman will agree to some sort of an arrangement.

Mr. JONES. Mr. Chairman, I modify my request and ask unanimous consent that all debate on this part and all amendments thereto close in 12 minutes, allowing the gentleman from Illinois 5 minutes and myself 2 minutes after the gentleman from Illinois has finished.

The CHAIRMAN. This request does not include the Poage and Kleberg amendments?

Mr. JONES. No.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on this part affecting cotton, and all amendments thereto, close in 12 minutes, except the amendment to be offered by the gentleman from Texas, Mr. POAGE, and the amendment to be offered by the gentleman from Texas, Mr. KLEBERG. Is there objection?

There was no objection.

Mr. JONES. Mr. Chairman, I hope the House will not agree to the amendment offered by my good friend the gentleman from Alabama. I believe the gentleman is unduly exercised with the thought that an emergency control of marketing, simply because it is put into the bill as a final safeguard, must be put into immediate effect and kept in effect. This is not my idea of how the situation should be

handled and further clinches the fact that the gentleman from Michigan was wrong when he stated this was production control. This is a soil-conservation bill and has soil conservation as its basic fundamental. There is a provision in the bill that when large surpluses wreck the market and even wreck or tend to wreck the whole situation, marketing in commerce can be regulated, just as the new Guffey Coal Act was drafted in accordance with the coal decision for the purpose of preventing a flooding of the market.

Suppose that when Chrysler and General Motors find they cannot sell their commodities they should run full tilt 24 hours a day; in that event we would get automobiles for \$100 apiece. These concerns regulate the sale of their products in commerce because they have charge of their plants.

They stack up what they have on hand and cannot sell and do not throw it on the market at any price. The only way you can have regulation in the marketing of farm products is to have some machinery for that purpose. Why should we not do this? The farmer pays a high price for his plows, for instance, and suppose the plow makers were all scattered 3,000 miles apart in separate units and could not do anything but run their plants full tilt, we would get plows for \$10 apiece instead of \$60 apiece, and we could afford to have the marketing of cotton unregulated, because it would then be on a parity; but when you have these organized groups standing behind a high-tariff system, which gives them an advantage, you must have some machinery or you are going to have flotsam and jetsam and wreckage.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. JONES. I yield.

Mr. ANDRESEN of Minnesota. Am I correct in my understanding that there is no regulation whatsoever over the production of cotton on the allocated acreage?

Mr. JONES. That is correct.

Mr. ANDRESEN of Minnesota. But your regulation applies to the excess acreage.

Mr. JONES. No; it does not regulate production at all. It regulates the marketing of the excess production.

Now, Mr. Chairman, my friend said here that you could grow more cotton on 60 acres than on 100 acres. I saw one of those tracts in that Dallas News contest operated by Mr. Masters. He made 11 bales on 4 acres and won the prize one year. I do not know whether it was the same year the gentleman referred to or not, but he won the Dallas News first prize. He did enough work on that little tract to have cultivated 50 acres. He was trying to win, and did win, a prize of \$1,000. That is not practical cotton growing. There is a limit to how much fertilizer you can use effectively. Production also depends on the season and depends somewhat on the price of cotton. High production per acre is costly. The provisions of the bill dovetail. If a man complies with an honest soil-conservation program, he can sell every bale of cotton he can grow under the allotments.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. KELLER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KELLER: Page 60, line 13, after the word "period", insert: "Provided further, That no State shall receive an allotment for any crop year beginning with the crop year 1938 of less than 5,000 bales of cotton, if during any 1 of the 10 crop years prior to the date of the enactment of this act the production of such State exceeded 5,000 bales."

Mr. KELLER. Mr. Chairman, I have to call attention to the fact that Illinois is a cotton-producing State. It is quite true that the amount of ground devoted to it is very small, but the two southern counties of Illinois lying within the district which I have the honor of representing, Alexander and Pulaski Counties, do produce cotton. They had reached and maintained a production of between 5,000 and 16,000 bales for a number of years, but just prior to the enactment of the Bankhead bill they had had a series of

droughts, interspersed with a series of overflows, lying as they do between the two great rivers, the Ohio and Mississippi, so that the number of bales we were permitted to profit by was very small, entirely unfair, and nearly ruined the production of cotton in that area during that period.

Mr. JONES. Mr. Chairman, will the gentleman yield?

Mr. KELLER. I yield.

Mr. JONES. Is it not a fact that during the last 5 years, however, your people have been tilling practically the same number of acres?

Mr. KELLER. No; because we have had overflows to a degree you would not believe unless you saw the destruction in that territory. If it were not for that fact I would not be here asking the adoption of this amendment.

Therefore I have put in a period of 10 years for the production of 5,000 bales provided in the Bankhead bill. I secured the passage of the special law from which this amendment is drafted to allow us the advantage of 4,000 bales. But the present bill being based on an acreage allotment, I am asking for 5,000 acres instead of 5,000 bales. This is the only thing I am asking for. If you tie us down to a 5-year period you will run in 3 years of terrible droughts and terrible overflows both, which would cut our acreage allotment to almost nothing, and I do not believe anybody wants to be unfair about this matter. I do not think anybody wants to be small about it, and I would be unworthy of my position if I did not, to the best of my ability, avail myself of this opportunity to make my statement. I am only asking that this territory be given a fair allotment of acreage. I am only asking for acres, and that will not hurt anybody but will save the day for these small counties in southern Illinois. Can there be any objection to this?

Mr. JONES. Surely during the last 5 years you have not been washed away.

Mr. KELLER. About twice.

Mr. JONES. They did not plant any acreage at all?

Mr. KELLER. We planted wherever we could, in a high spot here and there, but the acreage was so reduced that under the rules that exist in the bill at the present time we would be practically cut out entirely.

Mr. JONES. Has the gentleman checked up the average cotton planting of the last 5 years? I am inclined to think the gentleman will be taken care of under the terms of the bill.

Mr. KELLER. The gentleman is wrong about that.

Therefore, I trust that when you come to consider this on your vote that you will remember that what I say is literally true; that is, if you limit it to the 5-year period, we get about 40 percent of what is coming to us, and the Lord knows we need it. We have been almost wiped out twice during this period and our property has been destroyed to a large extent.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. JONES. Mr. Chairman, I regret exceedingly that I do not feel that we should make an exception. We made an exception under the Bankhead Act of 5,000 bales and that was on a balage basis, but this is on the basis of tilled acreage. It does not make any difference whether they grow anything if they actually plant it. They would get their full tilled acreage. Then we also have it so that if they have 3 years, then they would get three-fifths, and 4 years, four-fifths of their planting the second year. In other words, after this they would get their full allotment.

In making this exception it would open up the field to a number of other efforts. I am rather inclined to think the gentleman has pretty well taken care of his folks, because he got the exception before; that is, the same amount, translated into bales; I believe that he will get his reasonable allotment under this bill.

Mr. KELLER. Mr. Chairman, will the gentleman yield?

Mr. JONES. Yes.

Mr. KELLER. What would the gentleman do if his district under this bill were able to get only 40 percent on account of weather conditions instead of 100 percent justly due?



Mr. JONES. I understand we have provision here that if in any of these years among the farms less than 75 percent of crop is made, that year shall be eliminated when you come to determining yield.

Mr. KELLER. Yes; but the gentleman should not forget that as far north as we are, if we cannot get planted fairly early, then we are ruined for that year.

Mr. JONES. I shall undertake, if it is possible, to work out the exception where they actually are prevented from planting, so that they can get their allotment for that.

Mr. KELLER. If the gentleman will do that in conference, well and good.

Mr. JONES. I do not promise, but I will do my best.

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division (demanded by Mr. KELLER) there were—ayes 20, noes 44.

So the amendment was rejected.

Mr. HOBBS. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. HOBBS: Page 64, line 23, strike out "2 cents per pound" and substitute in lieu thereof "50 percent of the purchase price."

The CHAIRMAN. The question is on the adoption of the amendment offered by the gentleman from Alabama.

The amendment was rejected.

Mr. POAGE. Mr. Chairman, I offer the following amendment, which I send to the desk.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

Mr. POAGE. Mr. Chairman, this is a very long amendment, and I ask unanimous consent that the reading of it be dispensed with. It is the domestic allotment plan.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that the reading of the amendment he is now about offer be dispensed with and that it be printed in the RECORD. Is there objection?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. POAGE: Page 55, line 2, after the words "Part IV—Marketing quotas—Cotton", strike out everything thereafter, continuing through line 6, page 66, and insert in lieu thereof the following:

"Sec. 351. It is hereby declared to be the policy of Congress to provide for the general welfare by maintaining parity of prices paid to farmers for cotton marketed by them for domestic consumption so as to increase farm purchasing power and so as to give to farmers a more equitable share in the national income.

"Sec. 352. (1) For the purposes of this part, "parity," as applied to the price of cotton, shall be that price therefor which will give to cotton a purchasing power with respect to articles that farmers buy equivalent to the purchasing power of cotton in the base period; and will also reflect current interest payments per acre on farm indebtedness secured by real estate and tax payments per acre on farm real estate, as contrasted with such interest payments and tax payments during the base period. The base period shall be the period August 1909 to July 1914. This parity price shall be amended by the Secretary of Agriculture on the 1st day of each calendar month.

"(2) 'Marketing year' shall be, for cotton, the period from August 1 of one year to July 31 of the succeeding year, both dates inclusive.

"(3) 'Secretary' as used in this part shall mean the Secretary of Agriculture.

"Sec. 353. (a) As soon as practicable after the enactment of this act, the Secretary shall, upon application by any farm operator, establish, through State committees, assisted by local committees of farmers, a cotton production base for each farm suitable for producing cotton. Said base shall be established on the bases of the capacity of the farm for the production of cotton, taking into consideration the amount and character of available land, crop rotation, and other sound farming practices, and shall be fair and equitable as compared with cotton production bases established for other farms similarly situated. Said bases shall not be based on any historical or past production of the individual farm.

"(b) As soon as practicable after the enactment of this act the Secretary shall determine the aggregate total of all cotton production bases that have been established on all of the farms in the entire United States. It shall then be the duty of the Secretary

in the establishment of the national cotton production base for the calendar year 1938 to equalize the cotton production bases for the several States on the basis of the average cotton production therein during the 5 calendar years immediately preceding January 1, 1938. The Secretary shall then require the State committees of the several States to make the necessary adjustments in order to bring the cotton production bases for individual farms within the several States within their proportionate share of the "national cotton production base." In making this adjustment of cotton production bases for individual farms, the State committees shall not base their equalization upon any historical or past production of the individual farms.

"After the State committees shall have adjusted the cotton production bases of individual farms to the point where the aggregate cotton-production bases of all farms shall be within the State cotton production base figure allotted by the Secretary, the Secretary shall announce the total cotton production base for the entire United States, which base is hereinafter referred to as the "national cotton production base" and shall be equal to the total of all cotton production bases established for all farms producing cotton in the United States for the then current year.

"(c) Upon application made to the Secretary, all farmers on whose farms a cotton production base may not have been theretofore established pursuant to subsection (a) shall be entitled to have a cotton base established for their farms, which base shall be fair and equitable as compared with bases established for other farms in the same community which are similar with respect to the capacity for the production of cotton, taking into consideration the amount of and character of available land, crop rotation, and other sound farming practices.

"(d) Each year the total of all cotton production bases so established shall be added to the preexisting national cotton production base, and such total shall thereafter constitute the then current national cotton production base.

"Sec. 354. Cotton production bases established for farms in a county area shall, in accordance with regulations of the Secretary, be made available for public inspection in such county, and each individual farmer shall be given written notice by the local committee of his cotton base as by them established.

"Sec. 355. (a) Any farmer who is dissatisfied with the determination of the cotton production base established for his farm may, within 15 days after receipt of actual written notice of such determination and in such manner as the Secretary shall prescribe, file with the Secretary a written petition alleging that the determination made by the review committee was not in accordance with law or was arbitrary or unreasonable and praying for the modification thereof; and the petitioner shall thereupon be afforded an opportunity for a full hearing on the petition at a place within the county in which the petitioner's farm is located and before an examiner designated by the Secretary.

"After such hearing the examiner shall forward to the Secretary a report, together with the full record of the proceeding. As soon as practicable thereafter the Secretary, or any officer of the Department or an appeals board of Department employees designated by the Secretary for the purpose, shall, upon review of the record, make findings of fact, which shall be final, and shall enter an order upon the prayer of such petition. A copy of such findings of fact and order shall be served on the petitioner by registered mail.

"(c) The petitioner may, within 6 months after the receipt of a copy of such order, file a bill in equity against the Secretary as defendant in the United States district court for the district in which the petitioner is an inhabitant or operates his farm, for the purpose of obtaining a review of such order. The bill of complaint in such a proceeding may be served by delivering a copy thereof to the Secretary or to any person within the district in which suit is brought who may have been authorized by the Secretary to accept service of such a bill. The review by the court shall be by trial de novo.

"Sec. 356. (a) Not later than December 1 of each year, the Secretary shall ascertain from the latest available statistics of the Department of Agriculture and shall announce the total amount of cotton which will be needed during the next succeeding marketing year to meet the requirements of consumers in the United States. Such amount is hereinafter referred to as the "national domestic allotment of cotton." At the same time the Secretary shall announce the percentage that such national domestic allotment of cotton bears to the national cotton production base defined in section 2 hereof.

"(b) The domestic allotment for each farm in the United States shall be a percentage of the cotton production base established for such farm pursuant to section 2, which is the same as the percentage which the national domestic allotment is of the aggregate of the national cotton-production base established for all farms in the United States: *Provided, however*, That the allotment for any farm shall, in no event, exceed 10 bales for each individual family unit continuously engaged as share tenant, sharecropper, or, as the case may be, as owner or cash tenant, in the production of cotton on such farm in the calendar year in which the apportionment is made: *And provided further*, That nothing herein shall prevent a landowner from receiving his contractual share of the cotton allotted for domestic consumption to any number of separate tenant family-unit operators.

"(c) The domestic allotment for each farm shall be apportioned among the individuals continuously engaged as share tenant, share-cropper, or, as the case may be, as owner or cash tenant, in the production of cotton on such farm in the calendar year in which the apportionment is made on the basis of each such individual's share in the cotton produced on such farm.

"(d) If the Secretary during any year finds that the national domestic allotment previously announced for such year will not meet current domestic consumption requirements, he shall increase such national domestic allotment to an amount which will meet such requirement, and individual farm allotments for such year shall also be increased proportionately.

"Sec. 357. (a) The Secretary of Agriculture shall issue bale tags (hereinafter referred to as 'domestic allotment tags') to each individual who has received an allotment pursuant to the provisions of section 353 (c) covering an amount of cotton in pounds equal to such individual's allotment, and said tags shall be 'negotiable' and 'interchangeable.'

"Sec. 358. (a) After the enactment of this act it shall be unlawful for any person to process any cotton to be used in domestic consumption in the United States which is not cotton accompanied by tags issued pursuant to this act: *Provided, however*, That, in respect to any processor supply of cotton on hand as of the date of this enactment, the Secretary shall issue exemption certificates covering an amount of cotton equivalent to a normal stock. Such unlawful processing of cotton shall be a misdemeanor and shall be punished by a fine of not more than \$1,000 for each offense.

"(b) Any farmer who may produce cotton in excess of his domestic allotment may, by filing with the Secretary of Agriculture an irrevocable designation of specific bales, require the Secretary of Agriculture, at the time of issuing the allotment for any succeeding year, to deliver to him or to the lien holder of said cotton domestic tags to the full amount of his then current allotment to cover such designated cotton, even though produced during previous years.

"(c) Any processor of cotton in the United States desiring to process cotton for export may purchase same without regard to the existence of domestic allotment tags upon the posting of a bond with the Secretary of Agriculture equal to double the value of a like poundage of cotton eligible for domestic consumption, conditioned that the processed cotton or its products, would be exported from the United States within 1 year from the date of such purchase.

"(b) All persons engaged in the processing or sale of cotton shall, from time to time, on request of the Secretary, report to the Secretary such information, and keep such records, as the Secretary finds to be necessary to enable him to carry out the provisions of this part. Such information shall be recorded and such records shall be kept in accordance with the forms which the Secretary shall prescribe. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, the Secretary is hereby authorized to examine such books, papers, records, accounts, correspondence, contracts, documents, and memoranda as he has reason to believe are relevant and are within the control of any such person. Any such person failing to make any report or keep any records as required by this subsection, or make any false report or record, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500 for each offense.

"Sec. 359. In order to effectuate the declared policy of this part, the Commodity Credit Corporation is hereby authorized and directed to make loans on all cotton accompanied by domestic allotment tags. Such loans on cotton shall be made at the parity price or 20 cents per pound, whichever is the higher, on cotton of  $\frac{3}{8}$ -inch staple and Middling grade, with proportionate increase or decrease in the amount of said loan, depending upon the grade and staple of such cotton. Such loans shall be made without recourse and on the security solely of the stocks of cotton with respect to which the loan is made, which are insured and stored under seal in accordance with regulations of the Secretary. The Commodity Credit Corporation shall not dispose of any cotton acquired by it except at a price equal to the parity price thereof plus carrying charges or 20 cents a pound, plus carrying charges, whichever is the higher, at the time of sale.

"Sec. 360. The President and the Tariff Commission are hereby authorized and directed to promulgate such rates of import duties on cotton, articles processed from cotton, and cotton substitutes as will bring the basic price of raw Middling cotton to the parity price fixed by the Secretary.

"Sec. 361. The Secretary is authorized to make such regulations in connection with the administration of this part as he deems necessary or advisable.

Mr. POAGE. Mr. Chairman, I regret that the time does not allow us to read the amendment in full. Very briefly, the long amendment I have offered strikes out everything in part 4, the cotton marketing quota section, and substitutes in lieu thereof a domestic allotment system for cotton. The domestic allotment plan is not some new and unheard-of panacea, but is an approach to the problem of farm surpluses, fundamentally different from the approach used in this bill or in the compulsory-control legislation of

the past several years. It is not based on any idea that we can create plenty by destroying or curtailing what we have.

The purpose of all farm legislation is obviously to increase the income of the farmer. The purpose, and the only purpose, of crop reduction as distinguished from soil conservation is to increase the price of farm commodities. I have found, and I am sure many of you have found, it impossible to see just where this bill as now written would accomplish this desired increase in farmer income. Personally, I doubt whether the control provided in this bill will actually control the amount of cotton produced. On its face it does nothing more than attempt to fix the number of acres to be planted in cotton. This acreage presumably would be about 28,000,000 acres. This is about 5,000,000 acres less than we grew this year. This year we grew approximately 12,000,000 acres less than we grew before we attempted to control cotton production, but we produced nearly 6,000,000 bales more than the Department of Agriculture expected us to; but if we can assume that control will be effected, it is still estimated by the advocates of this bill as written that we will produce next year approximately 12,000,000 bales—incidentally the market quotas as regards cotton are not effected during the year of 1938 because apparently the Department of Agriculture feels that they can more successfully control cotton without these quotas, and they estimate 12,000,000 bales for next year and the same for the succeeding year with or without this bill. If we grow 12,000,000 bales next year, we will have 24,000,000 bales in sight next fall just as we have now, and we cannot hope to use more than 12,000,000 bales during the coming season—7,000,000 for domestic consumption and 5,000,000 for export.

Under such circumstances, how can anyone talk of an increased price for cotton next year? We will do well to get the price we are getting now; and if we do, the South would get \$250,000,000 less than we are getting this year from our cotton crop. Where are we going to be able to make up that loss? This bill does not provide any funds in excess of those we are now getting, and it seems to me that it offers us all of the burdens of control with none of the benefits of increased price. This defect is fundamental in the method of approach. We can no longer control the world price of cotton by controlling American production. The rest of the world is growing so much cotton that it is not forced to purchase American cotton. We have been trying to hold an umbrella over the cotton producers of the whole world—even the great United States cannot do that. Many nations have tried this policy, and it has always failed. Foreign production of cotton has almost doubled in the past 10 years.

The domestic allotment plan which I have offered here approaches the problem from the same angle that we have used successfully in regard to industry. It offers to the cotton producer an opportunity to share equitably and proportionately in the domestic market of seven to eight million bales; it guarantees to him a fair price for that part of his crop used at home; it leaves him free to determine his own production and his own farming methods; it places him on a parity with industry; it leaves him in the export business and says that any farmer who desires can grow cotton for world trade, but that he will have to take whatever the world market will bring for that part of his crop. It apportions the domestic market to each cotton farmer in the United States in proportion to his ability to produce. It says that if you are able to produce on your farm under normal conditions 14 bales, and if we are using one-half of the cotton produced in the United States domestically, that your share of the domestic allotment would be 7 bales; it says that on those 7 bales, and no more, the United States Government will guarantee to give you or any cotton farmer a parity price or income on which you might buy the manufactured articles of other sections of the Nation. That is as much of the crop as we can ever protect. If you grew seven other bales you would have to sell them on the world market for whatever they would bring without the benefit of any protected price. If you do not think you can make money growing cotton to



sell on a low world market, there is nothing to require you to grow any cotton in excess of your share of the American market, but if you do think you can produce cotton cheap enough to compete with foreign growers, then you will be at liberty to do so.

The substitute does not allow more than 10 bales of domestic cotton to each farm-family unit. In this way we make it profitable to the landlord to use tenant families. In fact this is the philosophy of the whole bill. The Government helps those who cooperate. There is no compulsion and no penal provision applicable to the farmer. We do prohibit the movement in domestic commerce for domestic consumption of any cotton that does not have the domestic tags. We make it impossible for a mill to process cotton that does not have these tags. There will only be enough tags issued to keep the mills running and they will have to buy all of the cotton for which tags are issued, but they will not be able to buy cotton at less than the parity price because we require the Commodity Credit Corporation to lend the full parity price on the tagged cotton, nor will this require the Government to make any large or extravagant appropriations. It costs the Treasury nothing. There is no subsidy. There is no payment of Government money, although, of course, the adoption of this substitute would not affect the soil-conservation program and the payments provided by it, and after all, the bill, as now written, provides absolutely no benefits to the farmers except these soil-conservation payments which are provided by existing law.

I realize that in the few moments that I have that it is utterly impossible to go into details and explain a plan as vital and far reaching as this. The Congress of the United States has heretofore recognized the soundness of this policy and has written it into our agricultural bills on two different occasions, but has never made its use mandatory. We must require the Department of Agriculture to separate the American cotton crop into a domestic and an export crop.

Mr. ANDRESEN of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. ANDRESEN of Minnesota. This plan has twice passed the Congress, and it is known as the old McNary-Haugen plan. I hope the gentleman's amendment is adopted. [Applause.]

Mr. POAGE. It is not quite the McNary-Haugen bill, but it does follow the principle of segregating domestically consumed cotton from that going into export. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas [Mr. POAGE] has expired.

#### A FAIR PRICE TO ACTUAL FARMERS

Mr. PATMAN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this substitute offered by the gentleman from Texas [Mr. POAGE] provides for assistance through families instead of the land. I am for it. I think we will have to come to a plan like this. I think we ought to come to it now. I am at this time—the farmers' plight is so desperate—for any plan that will give farmers a fair price, whether it is compulsory control or unlimited production, just so the actual farmers receive enough to permit them to earn a living if they work for it. If the Government is going to pay out money from the Public Treasury or cause people to pay more money for commodities produced by farmers, that money should go through farm families. We should allocate this money to the families. The landlords cannot object, because they will receive higher rents that way.

According to the amendment offered by the gentleman from Texas [Mr. POAGE] we have, say, 8,000,000 bales consumed annually in America. His plan would distribute those 8,000,000 bales among the actual cotton farmers.

If there are 1,600,000 cotton farmers, each family would be allocated an average of five bales. On every bale the farm family would be permitted to receive parity price and

at least 20 cents a pound in this bill. It would require loans to be made by the Commodity Credit Corporation in that amount. This cotton would be tagged for domestic consumption only, just exactly like the coal bill.

#### IF WE CAN TAG COAL FOR DOMESTIC CONSUMPTION WE CAN TAG COTTON FOR DOMESTIC CONSUMPTION

It is said you cannot do this, but we passed the bituminous coal bill, providing that a certain price shall be paid for all coal that is produced in America and sold on the markets in America. All coal that is exported will be exported at the world price. That is this plan exactly. These families who are growing cotton for a living will have allocated to them so much cotton per family. You could even make it according to the size of the family if you want to. This cotton will be tagged "for domestic consumption." And the farm families will get the benefit of it, and the large operators and those who produce a surplus will have to sell the surplus on the world market at the world price. They will have to export it. It is just exactly the same principle that this House has already adopted when it passed the coal bill. No farm family should be charged with creating the surplus that is not producing enough to make a living.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. COCHRAN. Will the gentleman kindly tell the House the approximate cost of this amendment?

Mr. PATMAN. It would not cost any more than the coal bill would cost, or railroad freight rates would cost.

Mr. COCHRAN. But that is not the question. We are not talking coal now.

Mr. PATMAN. It would cost the consumers a small amount, about one-tenth of a cent on a loaf of bread if it applied to a parity price on wheat and about 10 cents on a shirt if it applies to cotton.

Mr. COCHRAN. And what is that going to be?

Mr. PATMAN. I have the parity prices here. On cotton it is about 16½ cents. It should be more than that. This bill makes it at least 20 cents.

Mr. COCHRAN. What is going to be the total cost? My request for information is a desire to know if the plans will work or is the cost prohibitive.

Mr. PATMAN. Why is that question always brought up when you are dealing with people who make 5 cents an hour for their labor? You are always asking, "Where are you going to get the money?" When the railroads come in with a bill giving them a guaranteed return, and they have all kinds of excessive and discriminatory freight rates, who then says, "Where are you going to get the money?" No one asks anything about that, but when you deal with people who make 5 cents an hour—and that is what people receive working on farms in the South today—the cotton choppers, cotton pickers, 5 cents an hour—when you try to raise them up, someone always says, "Where are you going to get the money?"

Where are you going to get the money to pay the coal bill, the railroad freight rate, the telephone companies, the telegraph companies, the electric-light companies, the water companies, and all those?

Mr. COCHRAN. Does that come out of the United States Treasury?

Mr. PATMAN. And we would not take this out of the Treasury either.

Mr. COCHRAN. Where would we get it?

Mr. PATMAN. The consumer would pay a fair price for it, just like they are compelled to pay a fair price for many other things.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. PATMAN. I yield.

Mr. POAGE. Is it not a fact that under this bill no money would be required from the Treasury, because there is no subsidy paid out of the Treasury but simply a loan on this cotton, which would necessarily go into the mills, and there would be no appropriation?

Mr. PATMAN. And the mills would have to pay a fair price, just as they have to pay a fair rate to the railroads.

Mr. COCHRAN. Who is going to pay the loan? Somebody must pay. I seek information.

Mr. PATMAN. Prices of farm products as reported by the Bureau of Agricultural Economics, United States Department of Agriculture, November 1, 1937:

*Estimates of average prices received by producers at local farm markets based on reports to the Bureau of Agricultural Economics*

[Average of reports covering the United States weighted according to relative importance of district and States]

Product	5-year average, August 1909-July 1914	October average, 1909-13	October 1936	September 1937	October 1937	Parity price, October 1937
Cotton, pound.....cents.	12.4	12.1	12.2	9.0	8.1	16.5
Corn, bushel.....do.	64.2	64.8	97.9	93.9	53.9	85.4
Wheat, bushel.....do.	88.4	88.1	106.8	93.0	88.7	117.6
Hay, ton.....dollars.	11.87	11.49	10.77	8.91	8.77	15.79
Potatoes, bushel.....cents.	69.7	65.0	97.9	53.6	48.5	91.0
Oats, bushel.....do.	39.9	38.4	43.1	29.0	28.8	53.1
Soybeans, bushel.....do.	(1)	(1)	106.7	89.8	85.8	-----
Peanuts, pound.....do.	4.8	4.6	3.5	3.4	3.2	6.4
Beef cattle, hundred-weight.....dollars.	5.21	5.09	5.89	7.54	7.19	6.93
Hogs, hundredweight.....dollars.	7.22	7.37	9.17	10.55	97.8	9.6
Chickens, pound.....cents.	11.4	11.5	14.0	17.4	17.6	15.2
Eggs, dozen.....do.	21.5	23.8	27.6	22.9	25.2	34.0
Butterfat, pound.....do.	26.3	26.8	33.5	33.4	35.1	35.4
Wool, pound.....do.	17.6	16.9	26.4	30.8	29.2	23.4
Veal calves, hundred-weight.....dollars.	6.75	6.8	7.54	8.91	8.76	8.98
Lambs, hundredweight.....dollars.	5.87	5.35	7.25	8.57	8.42	7.81
Horses, each.....do.	136.6	134.5	90.7	93.1	90.2	181.7

<sup>1</sup> Prices not available.

<sup>2</sup> Adjusted for seasonality.

In connection with the Poage bill, H. R. 8472, I am inserting herewith a statement, which was released November 23, 1937, relative to this proposal.

If the bill H. R. 8472, sponsored by Congressmen PATMAN and POAGE, of Texas, and Congressman COLMER, of Mississippi, and introduced by Congressman POAGE in the House on November 22, 1937, becomes a law, the farmers will receive at least 20 cents a pound for their cotton up to 10 bales for each family, or the parity price, whichever is higher.

This bill represents the work and views of several Members of Congress, including the above named, and Commissioner of Agriculture J. E. McDonald, of Texas. These parties have been working on the proposal for some time, receiving the assistance of experts and officials in the Department of Agriculture, although the Department has neither approved nor disapproved the measure.

This bill contains the following major provisions. It is to be known as the cotton adjustment act.

The policy as stated is for Congress to provide for the general welfare by maintaining parity prices paid to farmers for cotton marketed for them for domestic consumption so as to increase farm purchasing power and so as to give to farmers a more equitable share in the national income.

The bill does not carry an authorization for an appropriation since no appropriation will be required. It contains what is known as the family-allotment provision, which will give to each family who is continuously engaged in growing cotton a maximum allotment of 10 bales for which tags may be obtained, which will permit its sale at 20 cents a pound.

The only penalty provision is one making it unlawful for processors and manufacturers using cotton to use any cotton except that which is tagged for domestic consumption. In order to make sure that the price is at least 20 cents, the Commodity Credit Corporation will be required to make loans amounting to 20 cents a pound on the basis of  $\frac{3}{8}$ -inch Staple and Middling grade.

The Secretary of Agriculture is authorized to determine domestic consumption in advance and allocate allotments through State and local committees.

The principal objects of the proposal as outlined by the authors are to permit people engaged in cotton production to receive a fair price for that part of the cotton that is consumed in America to offset the penalties the farmer must now pay by reason of the protective tariff, excessive and discriminatory freight rates, and to enable this country to recapture the farm markets which have been constantly diminished. Under this proposal, the use of tenants will be encouraged, as landowners will get higher rents. No farmer will be permitted to receive the 20 cents a pound who does not cooperate although there will be no limit placed on his production. However, he will be compelled to sell on a world market the cotton in excess of his domestic allotment, and for which tags have been allotted to him.

Congressman MARVIN JONES, chairman of the House Committee on Agriculture, has been consulted about the proposal, and he stated that he was much impressed with many of the features of the bill.

This bill applies to cotton only; similar proposals may be suggested by others for different basic agricultural commodities.

The only part of the bill that I feel like I made a contribution to is relative to the family allotment provision. For the past 9 years I have advocated giving the actual farm families the benefit of the domestic market at a fair price. If a farm family, according to the size of the family, is permitted to grow a certain number of bales of cotton for which the family will receive 20 cents a pound, the credit of this family will be restored and the head of the family may become a home owner, or he may seek the very best land from a landlord to rent and the landlord will be seeking the very best tenants, because the landlord in this way would receive higher rents. It would help both landlord and tenant, and it will result in good tenants occupying good land and the submarginal land taken out of cultivation.

Mr. JONES. Mr. Chairman, the time thus far has been used in favor of the amendment. I think the balance of the time should be used in opposition to the amendment. Mr. Chairman, I ask unanimous consent to proceed for the balance of the time allotted to this amendment, 10 minutes.

Mr. COCHRAN. Under reservation of objection, and I am not going to object, I hope the chairman of the committee will enlighten us some on the cost of the proposed plan. It sounds good, but what will it cost? Can it be made to work, taking into consideration the amount that will be available, which I understand is limited by the President?

Mr. JONES. I will undertake to.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. JONES. Mr. Chairman, there are many good features about the domestic allotment plan, but I feel that the plan we have in the bill and which may be used is the proper way to proceed for the present; that is, to have the production-allotment basis to each farm. If they use the plan of paying premiums on cotton, if you should single it out, let me show you some of the difficulties. The domestic allotment plan authorizes a loan and directs that the Commodity Credit Corporation shall lend 20 cents per pound. This year there will be about 7,000,000 bales of cotton consumed. That is \$100 a bale, or \$700,000,000, in loans on cotton, which constitutes about 10 percent of the farm production of America. I know I cannot get that. I am not going to promise the farmer something and not be able to deliver it if I know what I am doing. [Applause.]

Two billion three hundred and eleven million bushels of corn have been produced annually on the average in the last 10 years. If you made a parity loan on the domestic production of corn, which is 98 percent of it, there would be 87 cents a bushel. Figure that out for yourself. You would have to have a loan on wheat. I believe the average annual production of wheat is about 730,000,000 bushels. The parity price of wheat is \$1.20 a bushel. These three commodities make up about 20 percent of the present total farm production.

I personally would like to see the domestic-allotment plan tried out, but I believe we ought to use a system of paying premiums on the domestic allotment when that plan is adopted. Let me tell you another thing—if you raise the price to these men back home you have got to have a provision like this:

The President and the Tariff Commission are hereby authorized and directed to promulgate such rates on import duties on cotton or articles processed from cotton and cotton substitutes as will bring the domestic price of raw middling cotton to the parity price fixed by the Secretary.

In other words, you would have to have a 100-percent tariff on cotton, 150 percent on silk, and probably 200 percent on



jute and burlap. I do not believe so much rayon is imported, but you see how complicated that would be.

If you lay an embargo, that means on the commodity and all its substitutes, do you think that the men who produce those things are not going to ask that a prohibitive tariff be put on all other commodities with which they compete? It will finally cover the whole field and we will be doing what China did. Centuries ago China was the richest and wisest nation in the world, but she built a Chinese wall around herself. We cannot maintain the standards of living we have in America and not do some trading with other countries. We cannot have trade with other countries if we are not willing to barter and exchange our commodities with them. [Applause.] Not to do so would be fatal. That is all there is to it, there is no use of a man kidding himself.

Mr. SIROVICH. Mr. Chairman, will the gentleman yield for a question?

Mr. JONES. Yes; I yield for a question.

Mr. SIROVICH. I personally believe that the greatest tragedy of the farmer—and I have always supported farm legislation—is the fact that agriculture is not upon a parity with industry.

Mr. JONES. Yes; I agree with the gentleman.

Mr. SIROVICH. Why not have the Committee on Agriculture bring in a bill that, in the case of those agricultural products of which there is a surplus, would add to the world price a tariff equal to the difference between our domestic price and the world price? That would place agriculture on a parity with industry and give agriculture the protection that industry itself requires. [Applause.]

Mr. JONES. That, again, is another plan. One man will suggest one thing and another another; and that is what the committee has been up against.

The price fixing, if the gentleman will allow me to answer, will force you to put people in jail if they violate the terms of the act, and that is another question that will come up later. We are on this particular thing now. If we had a billion and a half dollars, probably we could pay for such a plan. It would have to be in premiums. I do not think we can get it now. The President said we have to raise the money, and the Committee on Agriculture is not a money-raising committee. We have been told by those in charge of the administration and by the action of the House itself that we cannot hope to get more than we are getting here unless the money is raised.

The proper way to do this is to allow cotton and other commodities to flow in the markets and pay enough in premiums to make up the parity price. I think some day we may reach that stage. I believe we are approaching it through the terms of this bill, and I believe we are making great progress. The trouble is some of my friends want to do all of this at one time, and I wish I could do it. However, I think we are making some progress.

Mr. POAGE. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Texas.

Mr. POAGE. I wish to say to the chairman of the Committee on Agriculture that I think we are making progress, too, and I want to agree with him on the proposition that we could pay this if we had the money to pay it out of the Treasury in the way of a direct payment, and that would be better than lending the money. But will the gentleman explain the loan proposition which does not require that the Government lend \$700,000,000?

Mr. JONES. The Government would have to guarantee it.

Mr. POAGE. Would it not be necessary for the mills to buy that cotton if they keep running at all?

Mr. JONES. They would have to buy the cotton after they got rid of the 18,000,000 bales of cotton. What would you do with that when the mills have paid for the 18,000,000 bales as well as the carry-over? Do you think you can forfeit that? Do you think you can forbid the manufacture of

that cotton? Do you think you can confiscate private property? It will be 3 years before they can sell all this cotton.

Mr. POAGE. Will the gentleman yield for an answer?

Mr. JONES. In a minute. You cannot confiscate this cotton that the mills have paid their money for. You cannot forbid it going into commerce. You might make some arrangement to regulate it, but it is too much to do all that at once unless you make some provision. I may say you are going into a field that will cost plenty of money, even for cotton.

Mr. Chairman, we have a pretty good cotton bill here. I am perfectly willing for someone who is brighter and smarter than I am to work out a practical scheme, and I will go along with it so long as they do not promise the farmers something which cannot be given them. I will not go along with any proposition of that kind. This requires every mill that processes a bale of cotton to keep books, which is proper. It ought to be that way. I am talking about the domestic allotment plan. In principle I favor that.

Mr. Chairman, this bill would require the building of a Chinese wall around ourselves, which would destroy American trade, and it would be fatal to American agriculture and industry.

Mr. DEEN. Will the gentleman yield?

Mr. JONES. I yield to the gentleman from Georgia.

Mr. DEEN. The gentleman stated it would be difficult to get the one and a half billion dollars to pay the parity price on domestic cotton.

Mr. JONES. Yes. We are going just as far as we can, and we are using all the money we can get.

[Here the gavel fell.]

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. POAGE].

The question was taken; and on a division (demanded by Mr. JONES) there were—ayes 51, noes 65.

So the amendment was rejected.

Mr. KLEBERG. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. KLEBERG: Beginning on page 55, strike out all of part 4.

Mr. KLEBERG. Mr. Chairman, I have listened attentively all afternoon to the efforts of my able, distinguished, and beloved friend, the gentleman from Texas [Mr. JONES], to steer this bill along up to the present moment. I feel sincerely that his efforts with reference to that part of the bill which I am asking to strike out have been sincerely directed along lines which he believes to be to the very best interests of the cotton producers in his and other sections of the country. I find myself at variance with him, however, over the proposal involved in this bill having to do with particular reference to the importance of this section of the bill at the present juncture.

In the first place, the section I am asking to strike out with reference to cotton will have absolutely no effect on the 1938 cotton crop and the 1938 cotton-farming operations.

I submit, Mr. Chairman, that there should therefore be no immediate haste and no immediate necessity for putting this section of the bill into effect which at best never received more than cursory examination by members of the committee. The examination which has gone forward in connection with this particular section of the bill has been in the main conducted by gentlemen in the Department of Agriculture, and those gentlemen, members, and farm leaders of a certain farm group in this country who are willing, in order to attain their end, to utilize the taxing power of the Government without further ado, first, for a purpose that was never intended, to wit, the fixation of penalties; and, second, that to arrive at a proper solution of this act it would be necessary to put into effect immediately the

suggestions of my distinguished friend the gentleman from Alabama [Mr. HOBBS]. The doctor is afraid for the patient. He is afraid for the patient to be given the beneficent treatment of a rest for an appreciable time while the doctors can hold a thorough investigation and consultation with reference to his condition.

Mr. Chairman, I admit the difference of opinion on the measure which exists between my loved chairman and me to be a fact. He has fought all the way through to maintain his and my position with reference to the first part of this bill, to wit, the soil-conservation portion thereof. In his efforts to guide this bill along he has been willing to permit his eyes to cloud and dim with tears, almost, in defense of the proposal that the farmers who sell a bale of cotton off acres not allotted to them should be fined 2 cents a pound. He has stood up and pleaded with you that there is no compulsion in this bill. I find this inconsistent with the bill and inconsistent with the gentleman's time-honored direct approach to matters which he has handled before this great group of our colleagues.

I feel very strongly, Mr. Chairman, on this piece of farm legislation. I would love to vote for it, and I will vote for it if the quota provisions in the bill are stricken from it, and if the Congress is not called upon by administrative and certain farm-agitation leaders to do gymnastics to the extent of delegating the authority to regulate commerce to one single man, the Secretary of Agriculture, for this is a power of which we cannot divest ourselves; and they go still further and ask us to grant a power which we do not possess, to wit, control the sale in commerce by delegation without limitations sufficient. [Applause.]

[Here the gavel fell.]

Mr. JONES. Mr. Chairman, I regret to be in disagreement, which I seldom am, with my friend the gentleman from Texas, for whom I have a genuine affection. I would prefer, if we had even a billion dollars for this program, not to have marketing quotas but to use the premium method. Personally, I prefer to get the extra money through small processing taxes. I do not like taxes of any kind, but I would want to link and earmark an amount equivalent to half what we collected from the processing taxes, at least, to the disposition of the surplus at home and in export to foreign countries. However, we cannot get this much money, and we have been unable to get the processing taxes; at least, up to this time we have been unable to get them. I doubt whether the House at this time would be willing to pass such a provision. At any rate, for the present we must be content, it seems to me, with the amount of money we have.

I have hopes that with the payments we can make and with this program on the acreage basis, with the loan provision, and with the provisions for distribution and for export, it may not often be necessary to have the marketing quotas put into effect. But if the time comes when we have so much cotton on hand in spite of this program that cotton goes to 3 and 4 cents a pound, then the marketing quotas should be put into effect. I have picked cotton which sold in the lint for \$3.63 a hundred, or less than 4 cents per pound, and I know some of you have done so. You know such an amount is hardly enough to pay for the picking of the cotton.

When industry is protected by a high tariff and when manufacturers control their plants and slow down production and marketing when they cannot sell at a reasonable price, what objection is there to the farmers having the right to control the marketing of their commodities to a limited degree? This provision would touch only the man who refuses to go along with a straight soil-conservation program. If the farmer would put into production only the acres he is permitted to put into production and plant the others with soil-conserving crops and use soil-conserving practices, he would not be affected.

I seriously believe that if you do not have this provision in the bill you are likely somewhere down the road to run into a price collapse which will cost a good deal more money and cause a good deal more grief than would be the case if a man outside, who will not go along with the program and will not cooperate with his neighbors as can a manufacturer, who can have his employees cooperate with him in the operation of a plant, was required to pay 2 cents per pound on the amount he produced on the extra acres.

A big bugaboo has been raised about such a provision. This sort of a small penalty has been recognized for generations in this country as a regulatory measure. There is a small head tax for certain purposes. For instance, wheat is inspected and a charge of 25 cents on a certain allowance is made for the inspection service. Now, they have to have that service, and they have to pay for it, because they do not have the money to do it the other way.

I believe if those who are opposing these quota provisions in the sense the term is used in respect of cotton will look ahead a year or two, they will see that if they vote down this kind of a provision and do not have any control at all they will have plenty of grief, and they will be asked why.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas [Mr. KLEBERG].

The question was taken; and on a division (demanded by Mr. KLEBERG) there were—ayes 59, noes 80.

So the amendment was rejected.

Mr. JONES. Mr. Chairman, I would like at this time to go back to the loan provision, and I ask unanimous consent that the section numbers may be changed to conform with the changes made in the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. The Clerk will read title II on page 14, section 201.

The Clerk read as follows:

TITLE II—LOAN PROVISIONS AND CONSUMER SAFEGUARDS  
LOANS ON AGRICULTURAL COMMODITIES

SECTION 201. The Commodity Credit Corporation (in this act called the "Corporation") is authorized, upon recommendation of the Secretary and with the approval of the President, to make available loans on agricultural commodities (including dairy products). The amount, terms, and conditions of such loans shall be fixed by the Corporation with the approval of the Secretary and of the President. The rate of loans on wheat, and on cotton, produced on farms on which the acreage planted is not in excess of the farm acreage allotment for wheat or cotton, as the case may be, shall be not less than 55 percent and not more than 75 percent of the parity price for wheat or cotton, as the case may be. The rate of loans on field corn produced on farms (whether or not in the commercial corn-producing area as defined in section 321 (f)) on which the acreage planted is not in excess of the farm acreage allotment shall be not less than 55 percent and not more than 75 percent of the parity price for field corn. The rate shall be 70 percent of the foregoing rate if marketing quotas are in effect under part II of title III on the crop of field corn and if the field corn is produced on a farm in the commercial corn-producing area on which the acreage planted is in excess of the farm acreage allotment. Except as provided in the preceding sentence, and except in the case of loans made with respect to dairy products, no loan shall be made with respect to any commodity produced on any farm on which the acreage planted to the commodity is in excess of the applicable farm acreage allotment.

Mr. LUCAS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. LUCAS: On page 14, line 19, strike out all after the period and down through the period in line 24, and insert in lieu thereof the following: "The Corporation shall make loans during any marketing year on field corn produced on farms in the commercial corn-producing area, as defined in section 321 F, on which the acreage planted was not in excess of the farm acreage allotment, and said loans shall be made on the following percentages of parity price for field corn as of the beginning of such marketing year:

"Eighty percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports;



"Seventy percent if such estimate exceeds a normal year's domestic consumption and exports by not more than 5 percent;

"Sixty percent if such estimate exceeds a normal year's domestic consumption and exports by not less than 5 percent and not more than 10 percent;

"Fifty-five percent if such estimate exceeds a normal year's domestic consumption and exports by more than 10 percent."

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to proceed for an additional 5 minutes.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for 10 minutes. Is there objection? There was no objection.

Mr. LUCAS. Mr. Chairman, I sincerely invite the undivided attention of every Member of the House to a candid and conscientious consideration of the amendment which has just been reported by the Clerk.

We who are vitally interested in the corn program of this bill are of the opinion that if this amendment is adopted by the House, it will be a step in the right direction toward an honest stabilization program for one of the basic commodities of this Nation.

This amendment is not much different from the general loan provision that has been adopted by the committee which appears in the bill at the present time. The only thing we attempt to do through this amendment is to peg more or less the price of corn through this loan at a certain step, starting at 80 percent if the November production estimate for the current crop of field corn does not exceed a normal year's domestic consumption and exports. This simply means that when we have a total supply, or when the normal consumption, plus the exports, is 2,380,000,000 bushels—or less than such amount, the Commodity Corporation would be compelled to loan to the corn producers of this Nation 80 percent of parity, which is 69 cents per bushel.

We feel out in the corn district that if and when the total production of corn in this Nation is less than what we must have, plus exports, the loan feature will never have to be used. However, we want it there in case we need it. In the event that the amount we produce is between 2,380,000,000 and 2,499,000,000 bushels, the loan under such circumstances, mandatory in its character, will be 60 cents per bushel.

If we produce in this country or have a total supply of between 2,499,000,000 and 2,618,000,000 bushels, the loan on that amount will be 52 cents a bushel, and on all over 2,618,000,000 bushels the loan will be 55 percent of parity, or 47 cents a bushel.

Mr. TARVER. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. I yield.

Mr. TARVER. Is it true or not that the gentleman's amendment would provide for mandatory loans on corn, whereas the matter of making any loans at all is left in the discretion of the Secretary of Agriculture as to other commodities?

Mr. LUCAS. Precisely. The gentleman from Georgia is correct.

Mr. TARVER. Does the gentleman think it is fair to give such preferential treatment to one commodity?

Mr. LUCAS. I hope the gentleman will follow me in the discussion of that point a little later. Let me advise the Members of the House that this mandatory-loan provision upon corn has the endorsement of the Secretary of Agriculture. We have taken this matter up with the distinguished chairman of the committee, and he has no objection to this loan feature as it is at the present time. It is also recognized by the able chairman of this committee, as it is by the versatile minority leader of the agricultural group on the other side of the aisle, that there is a difference—and a distinct one—with respect to loans on corn and loans on wheat and cotton. I undertake to say that you gentlemen who represent the Wheat and Cotton Belts of this country do not want a mandatory loan upon wheat and cotton, and I say that for the reason that you depend upon the world price for your exports. You have a surplus that you export every

year both in cotton and wheat. And if mandatory loans were placed upon these commodities, the loan value might ultimately become more than the world price, which would bring about financial difficulties of a large magnitude. We in the Corn Belt district consume practically all the corn we raise. Eighty-five percent of the corn that is grown in the commercial corn area of this country is fed to livestock and goes into commerce as a finished product. In other words, only about 10,000,000 bushels of corn are transported outside of this country and find their way into the foreign market. Consequently the Liverpool price does not control insofar as corn is concerned. The corn market is an American market. Therefore we feel that as a result of that and other factors which I shall discuss hereafter we have a right to come here and ask this Congress to place a mandatory loan on this particular basic commodity.

Mr. FISH. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. Yes.

Mr. FISH. Mr. Chairman, I am in sympathy with what the gentleman is saying, but why would it not be simpler to base the loan on the cost of production? The cost of production of corn, I suppose, is around 50 cents.

Mr. LUCAS. We are proceeding upon another theory entirely under this bill. What the gentleman says might have some merit but is not in line with the general loan provisions of the bill. In view of the approach to this legislation the gentleman's proposition could not be considered without difficulty.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. Yes.

Mr. PACE. Does the gentleman's amendment confine all loans to the commercial corn-producing area?

Mr. LUCAS. It does.

Mr. PACE. That is quite different from the provisions of the bill.

Mr. LUCAS. It confines it to the commercial corn-producing area because, after all, whenever quotas go into effect, so far as corn is concerned, the commercial corn area has to bear all of the load so far as the surplus is concerned, and you gentlemen on the outside bear no burden at all.

Mr. PACE. But the corn raisers in my State would have no benefit of the loan.

Mr. LUCAS. They would have the same benefit under the general section in respect to loans as exists at the present time. In other words, they would have the same opportunity to obtain a loan that the corn producers throughout the Nation have under the general commodity loan section of the bill.

Mr. GREENWOOD. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. Yes.

Mr. GREENWOOD. The theory is that the area outside of the commercial corn area is small and the amount produced is largely consumed by the individual farmer and therefore these loans are put on so as not to bear down the price commercially, so the commercial zone will carry the load, whereas the zone outside the area is small.

Mr. LUCAS. I thank the gentleman from Indiana for his contribution. One other point I want to discuss is this: A mandatory loan written into the Federal statute would enable the farmer to keep his corn on the farm and prevent the farmer from transferring it at harvest time in order to obtain cash. In addition to that, if the farmer has a bumper crop it is much better that he should seal a part of it on the farm where it will eventually be needed rather than be compelled to sell it at a sacrifice and possibly later be forced to have a part of it shipped back to his farm. Those loans would not only have a tendency to stabilize the price, but also to keep the corn off the market, which would be a further element in stabilization. One of the great troubles with the corn loan problem we had this year was this. It was announced 60 days too

late. If we had had in force in this country a mandatory loan provision in the matter of corn, it is my humble belief that the price of corn would not be where it is today. In other words, when the Secretary made the announcement the price was low and many producers in the corn-producing area and throughout this country were compelled to sell the corn at a low price, whereas it would have been sold at a better price, in my opinion, had this loan feature been the permanent law of the land.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. LUCAS. Mr. Chairman, I ask unanimous consent to proceed for 3 minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. FERGUSON. Mr. Chairman, will the gentleman yield?

Mr. LUCAS. Yes.

Mr. FERGUSON. What percent of the corn grown in the commercial area is actually sold by the bushel—not through feeding processes—but what percentage of the corn in the commercial area is actually sold for cash?

Mr. LUCAS. Between 10 and 15 percent.

Mr. FERGUSON. Then the gentleman feels that that 10 percent that is sold for cash, if the mandatory loan had been in effect, would have affected the price of the rest of it.

Mr. LUCAS. That is what we ultimately find to be true, but in the beginning the farmer seals many a bushel of corn before it is sold into cash. Much corn is stored on farms before it finally finds its way either into cash or the finished product. I cannot yield further.

I just want to complete this one statement. Lastly I want to bring this home forcibly to the attention of the Congress: If this mandatory loan goes into effect, it will certainly restrain effectively the speculator of this country, who for years has been selling short the products of the farm before the tiller of the soil actually raised the same. In other words, it will have a great tendency to eliminate his nefarious schemes which he has been practicing on the farmer at the latter's expense over a long, long period of years.

Mandatory loans are sound upon corn. During 1933, when corn was selling for 30 cents a bushel, this Government announced a corn loan program to those who cooperated, and gave a loan of 45 cents a bushel. They loaned during that time \$121,000,000 on 217,000,000 bushels of corn and they never lost a single dime upon that loan. They never lost a dime the following year on the corn loan program, which took in millions of dollars. They never lost a dime on the corn-loan program during 1935 and 1936. In other words, millions upon millions of dollars have been loaned by this Government to the corn producers, and the taxpayers have not lost a single cent. The farmers have paid it back at the rate of 4 percent. In fact, the Government has made money on that corn loan at the rate of 4 percent during that time. It strikes me that it is economically sound and socially desirable that in the interest of stabilization of field corn this Congress should favorably consider this amendment.

I hope that it will be adopted. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. BOILEAU. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. BOILEAU to the amendment offered by Mr. LUCAS: After the word "farms", where it first appears in said amendment, strike out the words "in the commercial corn-producing area as defined in section 321 (f)"; and insert "(whether or not in the commercial corn-producing area as defined in section 321 (f))."

Mr. BOILEAU. Mr. Chairman, I believe I have corrected the language that now appears in the Lucas amendment. If the language that appeared in the CONGRESSIONAL RECORD a few days ago is the same language that was offered by the gentleman from Illinois, then this amendment is properly drawn. I would like to ask the gentleman from Illinois if

the amendment he has just offered is in the same language as the amendment that appeared in the CONGRESSIONAL RECORD several days ago, "the Corporation shall make loans during any marketing year on field corn produced on farms in the commercial corn-producing area." Is that the same language that appears in your amendment?

Mr. LUCAS. That is the same.

Mr. BOILEAU. I would like to call attention to the fact that the amendment proposed by the gentleman from Illinois [Mr. Lucas] absolutely ignores the deliberate consideration of the House with reference to corn not produced in the commercial corn-producing area. I want to call your attention to the fact that only a few States in the central part of the United States are included in what is known as the commercial corn-producing area. There will be millions of bushels of corn produced outside of the area, and this amendment would permit loans to be made only to those farmers who produce corn in the commercial corn area. That is not fair, I submit, and this amendment should be amended so as to permit these loans to be made on corn produced outside of the area as well as within the area.

Mr. GILCHRIST. Mr. Chairman, will the gentleman yield?

Mr. BOILEAU. I yield.

Mr. GILCHRIST. Does the gentleman believe it would be a good amendment if his amendment were adopted to the Lucas amendment?

Mr. BOILEAU. I believe that corn produced outside of the commercial area should be as much entitled to the favoritism given under this amendment as corn produced within the area. I believe that corn produced up in northern New York State should have as much loan as corn produced in Iowa.

Mr. GILCHRIST. The question I asked is, even then, would the Lucas amendment be satisfactory to the gentleman from Wisconsin?

Mr. BOILEAU. I offer this amendment merely as a perfecting amendment. I submit that as far as I am concerned I am willing that reasonable loans should be made on corn. I am satisfied with that. I believe that is the proper way to help out agriculture. I would like to hear a little more debate on this question as to the justice of the schedules put into this bill, but, in a general way, I favor the making of these loans to agricultural commodities. I supported that provision in the bill as it is now written.

I submit that the Lucas amendment, however, is in direct contradiction of the considered judgment of the members of the committee, because the members of the committee, after much consideration, concluded that corn, as such, had as much value in northern Wisconsin as it had in southern Wisconsin. If the Government of the United States is to make a loan on corn as such it is just as fair to make that loan at the same rate in northern Wisconsin as in southern Wisconsin.

It seems to me this is eminently fair. I feel that the gentleman from Illinois must have overlooked this point or he would have incorporated it in his amendment. I would like to ask the gentleman from Illinois whether or not he deliberately changed the language that appears in the committee draft of this bill so as to exclude corn produced outside of the commercial area; or was that merely an oversight and was the gentleman's amendment drafted before the committee made its amendment. As I see it he probably used language that was in the original draft before the committee amended it; in other words, is the gentleman from Illinois willing that loans should be made on corn outside of the commercial area as well as within the commercial corn-producing area?

Mr. LUCAS. I do not like the gentleman's use of the word "deliberately."

Mr. BOILEAU. I mean was it the gentleman's intention or an oversight on his part? I do not use the word "deliberately" with any thought of accusation, for it is the gentleman's right to entertain any views he wishes.



Mr. LUCAS. When this amendment was drafted I drafted it for the purpose of including only corn that was produced in the commercial corn area. The gentleman has offered an amendment to that section and I do not see any particular objection to the gentleman's amendment.

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment offered by the gentleman from Illinois [Mr. LUCAS], in my judgment, will not only eventually hurt the corn farmer himself but will prove to be severely injurious to the livestock feeder and producer.

The gentleman proposes under this amendment mandatory loans of 80 percent of the parity price if the production is not in excess of 2,300,000,000 bushels. Is that the figure, may I ask the gentleman?

Mr. LUCAS. Two billion three hundred and eighty million bushels is the normal domestic consumption plus export.

Mr. COFFEE of Nebraska. I call attention to the fact that 57 percent of the national farm income is derived from livestock or livestock products. Less than 20 percent of the corn raised is sold for cash; 90 percent is fed to livestock. About 7 percent is the normal carry-over. Less than one-half of 1 percent is exported in the form of corn.

When you put an artificial price on corn, without any regard to what the price of cattle and hogs may be—and there is nothing in this bill to maintain the price of cattle and hogs—the livestock feeders will resort to substitutes. They will feed barley, rye, oats, cotton cake, soybean meal, sorghums, and many other substitutes. As a consequence the corn producer in the following year will have a large surplus on hand that was not consumed in the normal feeding operations. You had an example called to your attention today. You remember when 12 cents a pound was loaned on cotton. It was too high. It stimulated production and foreign competition and helped create the embarrassment confronting cotton farmers today. Make loans on corn too high and you will wreck the corn farmer, too. I know, for I come from a corn State. My State is the third largest corn producer in the United States.

Mr. LUCAS. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield.

Mr. LUCAS. The gentleman talks about artificial loans. Did the gentleman have any loans in 1933? Did he or any of his friends have any artificial loans at that particular time?

Mr. COFFEE of Nebraska. I have favored loans on corn such as the Government has made in the past. They were made on the basis that the Government would not lose and were not so high as to encourage the production of corn to sell to the Government. You are going to have another Farm Board episode on your hands if you make these loans mandatory. Secondly, you may have no money to lend on corn if loans are mandatory. Do you know any agency of the Government that is forced to make any certain kind of loans? They are all authorized to make loans; but if you demand and force through mandatory loans, I am afraid you will get into trouble and will make it impossible for the corn farmers to be able to borrow money. I think the farmer should have reasonable loans that will prevent demoralized prices and forced liquidation, but no definite amount should be written into permanent legislation. The corn loans that have been made by the Government during the last few years have been very helpful to the farmers. Let us not overdo it and run a chance of getting no loans in the future.

The CHAIRMAN. The time of the gentleman from Nebraska has expired, all time has expired, on the amendment to the amendment offered by the gentleman from Wisconsin.

Mr. DOXEY. Mr. Chairman, I move to strike out the last two words.

Mr. Chairman, I dislike at this time to prolong the debate and I hate to inject myself into a corn controversy. It is late and we are tired. I have tried to consume very little time during the wide and varied discussions and sundry

amendments proposed during the consideration of this general farm bill in the past few days. As a member of the Agriculture Committee, I gave long and serious thought to these various propositions before we reported this general farm bill. In the main, I am constrained to vote with my committee and stand by the bill as reported by our committee. As a whole, I think it is the best we can do under the circumstances. I was not a member of the subcommittee that handled the corn proposition, but I do know that subcommittee labored hard and long. As a member of the Committee on Agriculture, I want to stay to the membership of this Committee of the Whole that the pending amendment provides for a mandatory loan. When we go to dealing with mandatory loans, we are departing from any kind of domestic loan we have ever engaged in as a philosophy of long-range legislation.

I want to go along with the corn people and I think I have demonstrated that fact. Bear in mind, corn has a different set-up than any other commodity. You have here a commercial area as to corn and the commercial area bears the brunt of the thing. Certainly the commercial area is the only one that the quota is put on and if you have a loan it should either be permissive so far as the entire corn area is concerned or not at all, and it certainly should not go on until a quota is in effect. This is just something for the Members to think about. Why should the corn loan be mandatory and other loans be only permissive?

Corn is handled a little differently than cotton and wheat. I grant that the Government has never lost any money on corn loans, but nature provided for that in a way because when we made corn loans there usually followed a drought or something else which cut down the production of corn. At the present price of corn, if you put in a mandatory loan feature through the Commodity Credit Corporation, based on 69 cents for corn, I ask, How much money will it take? I do not believe the gentleman from Illinois, who proposed this amendment, can give me that information himself. This entire program here is something we have to consider in connection with the amount of money it will cost. We have not the money to do a lot of things we would like to do for agriculture. Our money is limited.

Mr. Chairman, I rise, not so much to wreck the amendment offered by the gentleman from Illinois [Mr. LUCAS], but to bring out the thought to the Committee that when you place a mandatory provision in here providing for a loan of 80 percent of the parity price on corn or any other commodity, the Government is fixing to buy a lot of that commodity and I do not believe the statement can be successfully refuted under normal conditions. Loans for all commodities should be held in reserve to be used in an emergency.

Mr. Chairman, I do not believe we should vote on this amendment this afternoon. I doubt seriously if the Members of this House have thought it through. I think this philosophy is so far reaching that you ought to think this over, whether you are from a corn area or not. It is setting a precedent when you provide for mandatory loans for any commodity, and although it may be argued that corn is different from wheat and cotton and should be handled in a different way, it just simply means price pegging by permanent legislation. That is dangerous in times like the present. Where are we going to get the money?

[Here the gavel fell.]

Mr. GREENWOOD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, the gentleman from Mississippi called attention to the fact that there is a different philosophy with reference to the mandatory features as applied to corn than there would be if applied to cotton or wheat. This is due to the fact that practically all the corn crop is consumed in this country. If you are going to adopt any mandatory features with reference to control of production through marketing, as this bill does, corn is the very best product probably to start with, because it is consumed almost entirely in this

country. We do not have to depend upon the export or world price.

We from the commercial Corn Belt feel this is the place to apply the mandatory features of the loan on the theory that by doing so we can hold up the price of this product to somewhere near parity. Attention has been called to the fact that loans made on corn have never cost the Government any money. I can understand the theory of the gentleman from Nebraska who comes from a livestock-feeding district. He probably wants to buy corn at the lowest possible figure, but I think he is in error if he thinks he can hold the price of cattle and hogs up on cheap corn. It has been demonstrated this year and through past experience that cannot be done. The livestock feeders this year are suffering from the low price of corn.

It has not been over 4 or 6 weeks since the Department of Agriculture said it did not believe the price of hogs and cattle would follow the price of corn on a downward trend, because there was a shortage of hogs in the country; but we see nevertheless when the price of corn tumbles down below the cost of production, down comes the price of hogs and cattle. I ask the gentleman from Nebraska to go along with the corn farmers in the commercial area in an effort to hold up the price somewhere near parity by these mandatory loan features in order to control the market and in order that they may hold up their price on livestock to somewhere near parity.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. GREENWOOD. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Does the gentleman think the price of corn will determine the price of fat cattle and hogs on the terminal markets?

Mr. GREENWOOD. The experience of the statistics taken from the Department of Agriculture is that the price of cattle and hogs will not stay up anywhere near parity as long as the cost of corn is down, as it is this year.

Mr. COFFEE of Nebraska. Does not the gentleman think the corn producers would probably store their corn rather than feed it in case the market price of cattle and hogs was low?

Mr. GREENWOOD. That is under the control of the Department. It ought to be stored and not rushed onto the market so as to tumble the price. That is the purpose of these mandatory loans.

[Here the gavel fell.]

Mr. CHANDLER. Mr. Chairman, I have an amendment to this section and I ask unanimous consent at this time that my proposed amendment may be printed in the Record for information.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

The amendment referred to is as follows:

Amendment offered by Mr. CHANDLER: On page 14, amend section 201 by striking out the following sentence beginning on line 14 and ending on line 19, to wit: "The rate of loans on wheat and on cotton produced on farms which the acreage planted is not in excess of the farm acreage allotment for wheat or cotton, as the case may be, shall be not less than 55 percent and not more than 75 percent of the parity price for wheat or cotton as the case may be," and insert in lieu thereof the following sentence: "The rate of loans on wheat produced on farms on which the acreage planted is not in excess of the farm acreage allotment for wheat shall be not less than 55 percent and not more than 75 percent of the parity price for wheat; and the rate of loans on cotton produced on farms on which the acreage planted is not in excess of the farm acreage allotment for cotton shall be not more than 75 percent of the parity price for cotton."

Mr. JONES. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. WARREN, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill H. R. 8505, had come to no resolution thereon.

#### PERMISSION TO ADDRESS THE HOUSE

Mr. DEROUEN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. DEROUEN. Mr. Speaker, on tomorrow when the rice section is taken up I shall offer several amendments. I may add at this time that the amendments I expect to offer have been approved by the Department of Agriculture. They are more or less perfecting amendments. It is my thought, also, to offer an amendment which would add a new paragraph as number 6 to the rice section, which amendment would provide for a processing tax.

The tax title is separate from and independent of all other titles of the bill; it is a valid excise upon a manufacturing process. It is uniform and is not invalid under the provisions of the fifth amendment by reason of its exemptions. It is not connected with any scheme designed to impair the autonomy of the States, such as discussed in *United States v. Butler* (297 U. S. 1). This title is not related to any other provisions of the bill, and the intent is clear that this title is to be effective regardless of the ineffectiveness of any other title or provision of the bill. Even if the exact amount of the proceeds of the tax were appropriated for a specific purpose, that fact does not render the tax imposed by this title invalid. The rule in this respect was stated by the Court in *Cincinnati Soap Co. against United States*, supra, and more recently in *Carmichael against Southern Coal & Coke Co.*, as follows:

If the tax, qua tax, be good, as we hold it is, and the purpose specified be one which would sustain a subsequent and separate appropriation made out of the general funds of the Treasury, neither is made invalid by being bound to the other in the same act of legislation. The only concern which we have in that aspect of the matter is to determine whether the purpose specified is one for which Congress can make an appropriation without violating the fundamental law.

As stated by Mr. Justice Cardozo in opinion of the Court in the case of *Steward Machine Co. v. Davis* (57 S. Ct. 883), decided May 24, 1937:

The excise is not void as involving the coercion of the States in contravention of the tenth amendment or of restrictions implicit in our federal form of government.

The proceeds of the excise when collected are paid into the Treasury at Washington, and thereafter are subject to appropriation like public moneys generally (*Cincinnati Soap Co. v. United States*, May 3, 1937, — U. S. —). No presumption can be indulged that they will be misapplied or wasted. Even if they were collected in the hope or expectation that some other and collateral good would be furthered as an incident, that without more would not make the act invalid (*Sonzinsky v. United States*, March 29, 1937, — U. S. —). This indeed is hardly questioned. The case for the petitioner is built on the contention that here an ulterior aim is wrought into the very structure of the act, and what is even more important that the aim is not only ulterior but essentially unlawful. In particular, the 90-percent credit is relied upon as supporting that conclusion. But before the statute succumbs to an assault upon these lines, two propositions must be made out by the assailant (*Cincinnati Soap Co. v. United States*, supra). There must be a showing in the first place that separated from the credit the revenue provisions are incapable of standing by themselves. There must be a showing in the second place that the tax and the credit in combination are weapons of coercion, destroying or impairing the autonomy of the States.

The processing tax title which is proposed with respect to rice is precisely identical with the excise tax titles in the Social Security Act, which has been held valid by the Supreme Court of the United States in the *Steward Machine Company* case referred to above and *Helvering v. Davis* (57 S. Ct. 904), and is also identical with the situation in the Sugar Act of 1937 which was enacted by this Congress at its last session.

The tax title is separate, however, not only because of its inherent character but by the specific provisions of the statute, which provide that the title shall be separate and independent of the other provisions of the act. With reference to the construction given by the Court to the separability clause contained in the statute, the following was said in



*United States et al. v. David Butterick et al.* (C. C. A., June 1937):

The inference from this opinion is that the separability clause is controlling upon the courts in their construction of the statute if, but only if, the separate sections of a statute are capable of standing by themselves and if it appears that Congress intended them to do so.

Although that decision was rendered by the Circuit Court of Appeals, attention is called to the fact that the Supreme Court on November 8, 1937, denied certiorari in that case, which would seem to indicate that the separability clause in itself is controlling in some instances.

#### EXTENSION OF REMARKS

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that I may insert in my extension of remarks today a statement of comparative prices, prepared by the Department of Agriculture, and also a statement regarding the Poage bill, prepared and released by the gentleman from Texas [Mr. POAGE], the gentleman from Mississippi [Mr. COLMER], and myself.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BURDICK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a resolution passed by a creamery association in Mountrail County.

The SPEAKER. Is there objection to the request of the gentleman from North Dakota?

There was no objection.

#### CALENDAR WEDNESDAY

Mr. JONES. Mr. Speaker, I ask unanimous consent that business in order on tomorrow, Calendar Wednesday, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

#### LEAVE OF ABSENCE

By unanimous consent leave of absence was granted to Mr. DALY for 5 days on account of illness.

#### JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a joint resolution of the House of the following title:

H. J. Res. 525. Joint resolution to make the existing appropriation for mileage of Senators and Representatives immediately available for payment.

#### ADJOURNMENT

Mr. JONES. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 42 minutes p. m.) the House adjourned until tomorrow, Wednesday, December 8, 1937, at 12 o'clock noon.

### COMMITTEE HEARINGS

#### COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Merchant Marine and Fisheries Committee will hold a public hearing on H. R. 8532, to amend the Merchant Marine Act, 1936, to further promote the merchant marine policy therein declared, and for other purposes, in room 219, House Office Building, on Wednesday, December 8, 1937, at 10 a. m.

#### COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

There will be a meeting of Mr. CROSSER's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on House Joint Resolution 389, distribution and sale of motor vehicles.

There will be a meeting of Mr. MARTIN's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 4, 1938. Business to be considered: Hearing on sales tax bills, H. R. 4722 and H. R. 4214.

There will be a meeting of the Committee on Interstate and Foreign Commerce, at 10 a. m., Tuesday, January 11, 1938. Business to be considered: Hearing on S. 69, train-lengths bill.

There will be a meeting of Mr. MALONEY's subcommittee of the Committee on Interstate and Foreign Commerce, at 10 a. m., Thursday, December 16, 1937. Business to be considered: Hearing on S. 1261, through-routes bill.

#### COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Immigration and Naturalization Committee on Wednesday, December 8, 1937, at 10:30 a. m. Business to be considered: Hearing on H. R. 8549.

### PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. LUTHER A. JOHNSON (by request): A bill (H. R. 8637) to amend section 1-(b) of the Trade-Mark Act of March 19, 1920; to the Committee on Patents.

Also (by request), a bill (H. R. 8638) to provide additional revenue under the trade-mark laws; to the Committee on Patents.

Also (by request), a bill (H. R. 8639) to amend the trade-mark section of the 1930 Tariff Act to make it accord with articles 2 and 9 of the International Convention for the Protection of Industrial Property, signed at The Hague November 6, 1925, and articles 1 and 30 of the Trade-Mark Convention between the United States and other American Republics, signed at Washington February 20, 1929; to the Committee on Ways and Means.

By Mr. MOTT: A bill (H. R. 8640) to add certain lands to the Siuslaw National Forest in the State of Oregon; to the Committee on the Public Lands.

By Mr. PALMISANO: A bill (H. R. 8641) to provide disability allowance for World War veterans suffering from non-service-connected disabilities; to the Committee on World War Veterans' Legislation.

By Mr. BACON: A bill (H. R. 8642) to repeal the undistributed-profits tax, as of the taxable year 1937, to impose in lieu thereof a one-point increase in the normal tax upon corporations, and to restore the flat rate of 12½-percent tax upon capital gains; to the Committee on Ways and Means.

By Mr. THOMAS of New Jersey: Resolution (H. Res. 374) to appoint a committee to investigate the National Labor Relations Board for possible violation of the freedom-of-the-press clause of the Constitution; to the Committee on Rules.

By Mr. STACK (by request): Resolution (H. Res. 375) to establish as service connected all present disabilities of a World War veteran, by considering his service record an official part of his medical record; to the Committee on World War Veterans' Legislation.

By Mr. O'CONNELL of Montana: Joint resolution (H. J. Res. 527) to amend the joint resolution entitled "Joint resolution providing for the prohibition of the export of arms, ammunition, and implements of war to belligerent countries; the prohibition of the transportation of arms, ammunition, and implements of war by vessels of the United States for the use of belligerent states; for the registration and licensing of persons engaged in the business of manufacturing, exporting, or importing arms, ammunition, or implements of war; and restricting travel by American citizens on belligerent ships during war", approved August 31, 1935, as amended by the joint resolution approved May 1, 1937; to the Committee on Foreign Affairs.

By Mr. GRAY of Pennsylvania: Joint resolution (H. J. Res. 528) proposing the official adoption of a revised calendar to be known as the Universal Calendar, effective January 1, 1939; to the Committee on the Judiciary.

## PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BULWINKLE: A bill (H. R. 8643) for the relief of Kate Durham Thomas; to the Committee on Claims.

By Mr. MAGNUSON: A bill (H. R. 8644) for the relief of Michael P. Dowling; to the Committee on Pensions.

By Mr. RAYBURN: A bill (H. R. 8645) for the relief of Rachel Nethery and Ethel Nethery; to the Committee on Claims.

By Mr. SIROVICH: A bill (H. R. 8646) for the relief of John Joseph Defeo; to the Committee on Naval Affairs.

## PETITIONS, ETC.

Under clause 1 of the rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3532. By Mr. RUTHERFORD: Petition of residents of Great Bend, Susquehanna County, Pa., favoring neutrality legislation; to the Committee on the Judiciary.

3533. By Mr. MERRITT: Resolution of the American Radio Telegraphists Association, Local No. 2, reaffirming its support to the National Labor Relations Act; that it opposes any changes in the act itself, which might curtail the operations of the law; to the Committee on Labor.

3534. By Mr. CARTER: Petition of the California Wool Growers Association, opposing restriction of truck transportation; to the Committee on Interstate and Foreign Commerce.

3535. Also, petition of the California Wool Growers Association, urging the enactment of the Pettengill bill relating to the long-and-short haul clause, Interstate Commerce Act; to the Committee on Interstate and Foreign Commerce.

3536. By Mr. CULKIN: Petition of the Watertown local, No. 761, International Association of Machinists, Watertown,

N. Y., opposing enactment of the train-limit bill; to the Committee on Interstate and Foreign Commerce.

3537. By Mr. CARTER: Petition of the California Wool Growers Association, opposing the Black-Connery bill and asking that all agricultural labor be exempted; to the Committee on Labor.

3538. Also, petition of the California Wool Growers' Association, opposing the 15-percent increase in freight rates; to the Committee on Interstate and Foreign Commerce.

3539. By Mr. BACON: Petition of sundry residents of Whitestone, Long Island, N. Y., urging enactment of the national lottery bill; to the Committee on Ways and Means.

3540. By Mr. REED of Illinois: Petition signed by Albert F. Thrun and 233 employees of the Howell Furniture Manufacturing Co., of St. Charles, Ill., protesting against the enactment of the wage and hour bill; to the Committee on Labor.

3541. By Mr. KVALE: Petition of the Milligan and Morrison Silver Fox Producers Association, urging repeal of the undistributed-profits tax; to the Committee on Ways and Means.

3542. Also, petition of the Flax Institute of the United States, urging steps be taken providing for the eradication of grasshoppers and Mormon crickets to avoid recurrence of the heavy loss sustained in 1937; to the Committee on Agriculture.

3543. By Mr. CURLEY: Petition of the Chamber of Commerce, State of New York, opposing legislation to fix freight-rate making; to the Committee on Interstate and Foreign Commerce.

3544. Also, petition of the Chamber of Commerce, State of New York, opposing any change in status of Army engineers; to the Committee on Rivers and Harbors.